

COMMONWEALTH OF VIRGINIA



Virginia Enterprise Applications Program

FM04 Accounts Payable

Modified Financial Management (FM) and Performance Budgeting (PB) Future State Business Process Best Practice Environment Definition Document

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V 3.2

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1. Introduction

This Deliverable documents the collection, analysis, and definition of the high level business process functions and functional requirements of the *Financial Management – Accounts Payable* business area within the Virginia Enterprise Application Program (VEAP). This Deliverable focuses on the business processes and functional requirements identified by the VEAP to satisfy the needs of the Commonwealth's stakeholders and the target users. This document includes the purpose, scope, business reengineering opportunities, process threads, requirements, definitions, and references of this future state environment definition. The Future State Environment Definition Documents provide a critical foundation for the Financial Management and Performance Budgeting solutions as they are the basis for the fit-gap analysis as well as implementation activities including software design and configuration, testing, procedures documentation, training, business process reengineering, and organization design.

1.1 VEAP Background

The Virginia Enterprise Applications Program (VEAP) Vision

- ***Provide the Commonwealth with best practice business processes supported by a suite of commercial-off-the-shelf (COTS) enterprise solutions – consistent with Virginia's position as a Best Managed state and a financial and technology leader.***
- ***Transform administrative operations by consolidating and modernizing the service delivery models and supporting applications for the Commonwealth's Financial Management, Human Resources Management, Administrative Management, and Supply Chain Management resulting in superior resource management and improved performance.***

Through the Commonwealth's Public Private Educational Facilities and Infrastructure Act (PPEA) of 2002, which brings private sector innovation and investment to state government projects, the Commonwealth has undertaken an initiative to identify areas of the Commonwealth's operations that could be significantly improved by undertaking an enterprise-wide reengineering and resolutioning of business processes common across the Executive Branch of government. The Virginia Enterprise Application Program (VEAP) is one such effort, as part of the initiative, undertaken by the Commonwealth.

The VEAP is a seven year program to consolidate and modernize the business processes and enterprise applications of the Commonwealth of Virginia (COVA). The initiative will enhance efficiency, increase productivity, and provide more effective delivery of services. The Program's scope includes Financial Management; Human Resources Management; Administrative Management; and Supply Chain Management. It is important to remember that VEAP is not just a project to replace old systems with newer technology. The Program also is intended to focus on opportunities to reengineer business practices and to achieve efficiencies whenever possible.

The implementation will be accomplished over a multi-year period and will be managed through phased rollouts. Phase I of the VEAP will result in an integrated, fully-functional Financial Management and Performance Budgeting solution and related business processes. The targeted implementation dates are June 2008 for Performance Budgeting and June 2009 for Financial Management.

Many Commonwealth agencies conduct their business processes - such as accounting, payroll, budgeting, personnel management, and travel - through repetitive systems, leading to inefficiencies, excessive manual input, and duplication. For example, only eleven percent (11%) of financial transactions made by COVA agencies originate in the Commonwealth's central accounting system, with many agencies using systems that they have acquired or developed in-house over time to suit their specific needs. This has led to fractured processes, multiple systems, time-consuming reconciliation of data, and reduced central oversight. Many of these systems are old, obsolete, and inflexible and have too few staff in both the public and private sectors with the know-how to operate and service them. This limited knowledge base presents a risk to the Commonwealth's administrative operations.

1.2 VEAP Phase I Scope

During Phase I, the Commonwealth Accounting and Reporting System (CARS) and the budget development (PROBUD) system will be replaced and a new statewide Chart of Accounts will be implemented.

The agencies that will be affected by the Phase I implementation are:

- all agencies that currently utilize CARS as their primary accounting system (enter information on-line to CARS) will use the new solution, and
- agencies that currently interface data to CARS will interface to the new solution.

The agencies that will be affected by implementation of the Performance Budgeting solution are:

- all agencies that currently use PROBUD.

Four additional agency legacy financial management systems will be replaced as part of Phase I (Department of General Services, Virginia Employment Commission, Virginia Information Technologies Agency and Virginia Department of Transportation). All other Executive branch, non-higher education agencies that have their own legacy financial management system will be implemented in a future phase of the VEAP.

The Phase I Planning activity is the process of completing the general design and implementation plan for these two solutions. As stated previously, Phase I of VEAP includes Enterprise Financial Management and Performance Budgeting solutions. Future State Environment Definition Documents have been drafted for each of the following business areas:

- General Accounting,
- Cost Accounting,
- Fixed Assets,
- Accounts Payable,
- Accounts Receivable,
- Purchasing,
- Performance Budgeting, and
- Time and Attendance, Labor Distribution, and Leave Accounting.

The following agencies were invited to participate in the Workshop Session reviews of the *Future State Environment Definition Document – Financial Management – Accounts Payable* to corroborate and provide input to the proposed business process threads:

- Department of Accounts (DOA),
- Virginia Department of Transportation (VDOT),
- Department of General Services (DGS),
- Virginia Employment Commission (VEC),
- Virginia Information Technologies Agency (VITA),
- The Department of Treasury (TD),

- Auditor of Public Accounts (APA),
- Department of Corrections (DOC),
- Virginia Department of Emergency Management (VDEM), and
- State Compensation Board (CB).

1.3 Future State Business Process / Best Practice Environment Definition Documents

Completing the Future State Business Process / Best Practice Environment Definition Documents is one of the primary tasks of Phase I Planning. Defining the Future State means addressing and analyzing the best practice business processes, change impacts, organizational design, and functional requirements for each business area. During this effort, CGI and the Commonwealth of Virginia (COVA) will:

- analyze current business processes – review and update business process descriptions documented in the Draft Financial Management (FM) and Performance Budgeting (PB) Future State Business Process / Best Practice Environment Definition Documents,
- identify business process reengineering opportunities,
- define the Future State Environment – document how business processes should be executed with the new enterprise solution, using best practices in conjunction with Commonwealth specific requirements,
- identify any organizational impacts that should be considered with the new enterprise solution,
- validate the functional requirements documented in the Draft Financial Management (FM) and Performance Budgeting (PB) Future State Business Process / Best Practice Environment Definition Documents,
- add necessary requirements,
- remove unnecessary requirements,
- prioritize requirements by business impact,
- identify the organizational impact of the requirements (enterprise-wide vs. agency-specific), and
- finalize the list of functional requirements.

The Final FM & PB Future State Business Process / Best Practice Environment Definition Documents will be used to drive the Fit/Gap Analysis, create several sections of the Final General Design and Implementation Plan deliverable, and develop cost estimates. The document will also be used in subsequent phases of VEAP such as during detailed design and testing. For example, the functional requirements will eventually be further divided into detailed system/technical requirements and used to create test cases/scripts; the defined process threads will drive the execution of business process reengineering efforts during implementation and support the development of training materials.

1.4 Purpose

The Future State Environment Definition Document describes the needs, stakeholders, legal and process reforms, process threads, and functional requirements that should be available in a *Financial Management – Accounts Payable* business process solution. This document identifies the activities associated with the *Financial Management – Accounts Payable* business process threads for the Commonwealth, as well as the stakeholders and users associated with such processes. In addition, this document describes high level business processes along with the functional requirements associated with these business processes. All functional requirements are marked with a priority of (1) Mandatory, (2) Desirable or (3) Optional and are identified as Enterprise or agency-specific where necessary.

1.5 Scope

This particular future state environment document defines the process threads associated with the following business processes:

- Accounts Payable Vendor Processing,
- Matching and Voucher Creation Process,
- Credit and Debit Memo Processing,
- Payment Transaction Processing,
- Warrant/Check Processing,
- Fiscal Year end Processing, and
- 1099 Processing.

1.6 Document Outline

The remainder of the document contains the following sections:

Section 2 – Positioning. This section briefly describes the business problems inherent in the current environment and the opportunities for implementation of the Enterprise Resource Planning (ERP) solution.

Section 3 – Stakeholder and User Descriptions. This section identifies the Commonwealth and outside organizations that have a significant stake in the process and the success of the project. The on-going roles and responsibilities are described for the Stakeholders and Users along with their organizations.

Section 4 – Key Product Requirements. This section introduces the future state environment by identifying the three to six overarching business concepts that will be provided by the ERP solution to address major weaknesses in the current environment.

Section 5 – Process Thread Summary. This section documents the specific characteristics of the future state environment. The major business processes are defined within each business area, the key steps in each process, and the specific system capabilities required supporting the function in a manner that permits the Commonwealth to meet mandates in an efficient manner.

Section 6 – Process Thread Detail Description. This section describes how each business process thread defined in the previous section is performed in the ERP solution. Each process is described in flowchart and tabular format and each process detail step is numbered sequentially within each process thread.

Section 7 – Data Flow Details. This section details the flows of data both in and out of the business process. The graphics contained in this section identify the impacts to existing systems and processes as they relate to each agency in the Commonwealth.

Section 8 – References. This section contains the sources of information used as references to the business process. The terms used in the document along with the definitions of those terms are also included in this section.

2. Positioning

This section of the Future State Environment Definition Document describes the overall business opportunity for the *Financial Management – Accounts Payable (AP)* business process. In addition, this section describes some of the high level changes that need to occur, states the current problems in the existing environment, and identifies the potential benefits that could be achieved through the ERP solution.

2.1 Business Opportunity

The Virginia Enterprise Application Program (VEAP) Team strongly believes that a comprehensive solution to the Commonwealth's business concerns involves much more than simply installing new technology. Rather, a complete solution is the integration of technology, process, people, and approach in a manner that recognizes the unique aspects of the current situation and the future. The solution envisioned for VEAP in the area of financial and operational accounting considers all these elements.

The Commonwealth currently relies on numerous systems, applications, and processes to support the *Financial Management - Accounts Payable* process. The recommended ERP solution would include three elements:

- a modern, public sector-oriented, integrated Financial System as the core of the new architecture,
- a service delivery organizational structure that recognizes the wide range of differences among the various Commonwealth agencies and provides the flexibility for each agency to execute business processes in the manner and with a staffing structure that best meets its needs, and
- a phased implementation approach that gives the Commonwealth the opportunity to carefully control costs and risks, and to make implementation and rollout decisions based upon both project performance and other future conditions.

At a minimum, this commercially available application would replace the Commonwealth Accounting and Reporting System (CARS) and a significant percentage of the function-specific modules that have been developed by many agencies to address CARS deficiencies.

2.1.1 Systems

The payment process is executed within CARS. CARS supports all agencies by allowing agencies to input payment requests, processing EDI payments, and by transmitting warrant files to the Department of Treasury for check processing. The process steps leading to issuing payments can be executed in a number of other systems such as eVA, agency-specific ERP systems (usually with an interface into CARS), and stand-alone applications to support specialized payments or manually within spreadsheets. The information from all these systems has to interface with CARS in order to complete the payment process. This can result in duplication of data both at the agency level and at the enterprise level. This duplication of systems and effort in the payment process also requires duplication of effort and data in the reconciliation process.

Among the other systems/applications supporting the payment process at the agency levels are the following:

- Financial Management (FM) System (Dept. of Health, Dept. of Human Resource Management),
- Oracle Financial (Dept. of Environmental Quality, Dept. of Medical Assistance Services, Dept. of Social Services, Dept. of Motor Vehicles, Dept. of Education, Va. State Police),
- PeopleSoft (Va. Dept. of Transportation, Va. Information Technologies Agency, Dept. of General Services),
- Quicken (Dept. of Human Resources),
- Unclaimed Property System (Dept. of Treasury),
- FINSYS (Dept. of Agriculture and Consumer Services),
- DMME ERP (Dept. of Mines, Minerals & Energy),
- APECS (Dept. of Social Services),
- IDSS (Dept. of Conservation & Recreation, Dept. of Labor and Industry, Dept. of Education),
- DMV Refund System (Dept. of Motor Vehicles),
- Finny,
- VRIS,
- VCPS-SSA,
- CIVITAS,
- Benefits System (Labor),
- Trade System (Labor),

- LASER, and
- Federal Payments System.

2.1.2 Current State Environment

Exhibit 1 - FM04 Accounts Payable - Current State Environment

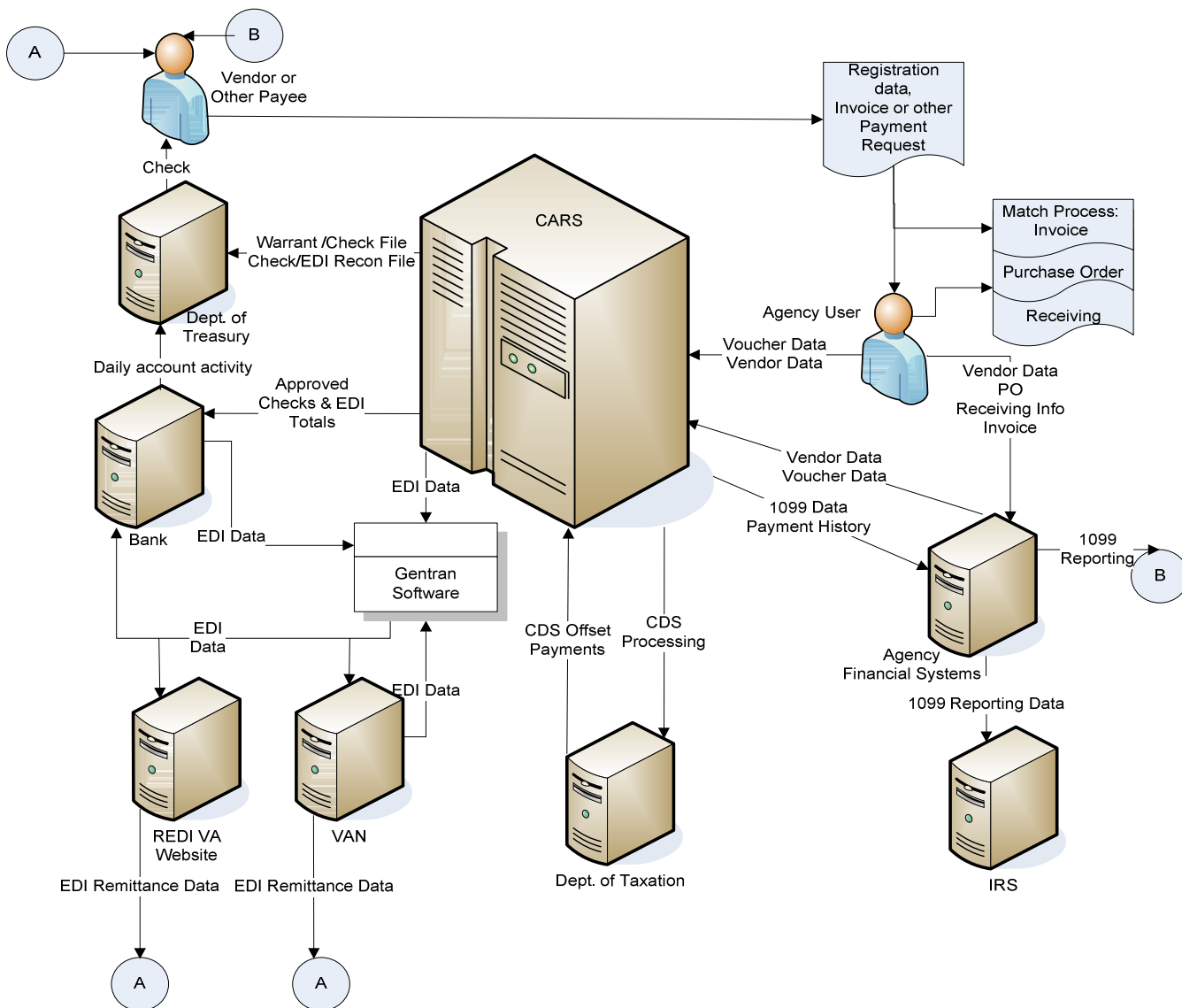


Exhibit 1 illustrates the Accounts Payable current state environment. Extensive manual effort is required by the agencies to initiate payment requests. All agencies are required to input data in CARS either directly or through an interface. Data is entered and maintained in multiple systems because CARS does not adequately meet all the requirements of individual agencies. The multiple system interfaces to and from CARS is depicted in the diagram above. Each agency performs 1099 reporting outside of CARS and maintains vendor records. After payment requests are entered and processed in CARS, warrants (orders to pay) are generated for bank and Dept. of Treasury processing.

The Accounts Payable activity includes payments via a variety of mechanisms to payees who are individuals, state

agencies, local and federal governments, and private sector vendors to pay for goods and services, or to distribute entitlements, benefits, Grants, subsidies, loans or claims. This Future State Environment document focuses on the processing of a variety of payments for the Commonwealth. For purposes of this document, all references to vendors refer to any person, business or agency receiving funds from the Commonwealth of Virginia. Many of these payments are governed by the Prompt Payment Statutes (CAPP 20315) which require payments to be disbursed within 30 days of receiving a clean invoice or receipt of goods and services, whichever is later.

The Accounts Payable lifecycle begins with processing of vendor invoices and payment requests, continues with payment processing, and ends with the processing of 1099 returns. The Commonwealth process requires staff to enter payment data into CARS or into the agency-based financial accounting system, to obtain and match invoices, purchase orders, receiving reports, and inspection reports and to handle any errors that arise in the process.

There are a number of points of control within the payables lifecycle. For example, approved vouchers must be entered into CARS to process payments. The approval process and the controls around this process are not standard across all the agencies. The receiving process is performed outside the payment system, and again there is no standardized process for performing the receiving function. Receiving is performed manually at many agencies. Checks are issued by Treasury and DOA processes EDI payments. All payments subject to 1099 reporting are captured at the agency level for year-end reporting to the Vendor and the IRS. The 1099 process is sometimes automated and sometimes manual.

The payment process for goods and services may be initiated within the procurement process. The procurement process initiates, goods or services are received, resulting in the beginning of the payment process. The vendor submits an invoice to the agency; agency personnel match the invoice with receiving report and purchase order, where appropriate. Other payments such as employee reimbursements, payments to localities, etc. are initiated outside of the procurement process. The agency performs pre-audits, approves payment requests and enters the voucher in CARS, online or by interface. DOA staff also performs some pre-audits, as well as post-audits for some agencies. CARS processes payment transactions that result in a paper check being cut and mailed by Treasury or an EDI payment being processed. Vendors may receive multiple payments at the same time from the Commonwealth for multiple purchases. This is another duplication of effort and data in the payment process.

2.1.3 Future State Environment

Exhibit 2 – FM04 Accounts Payable - Future State Environment

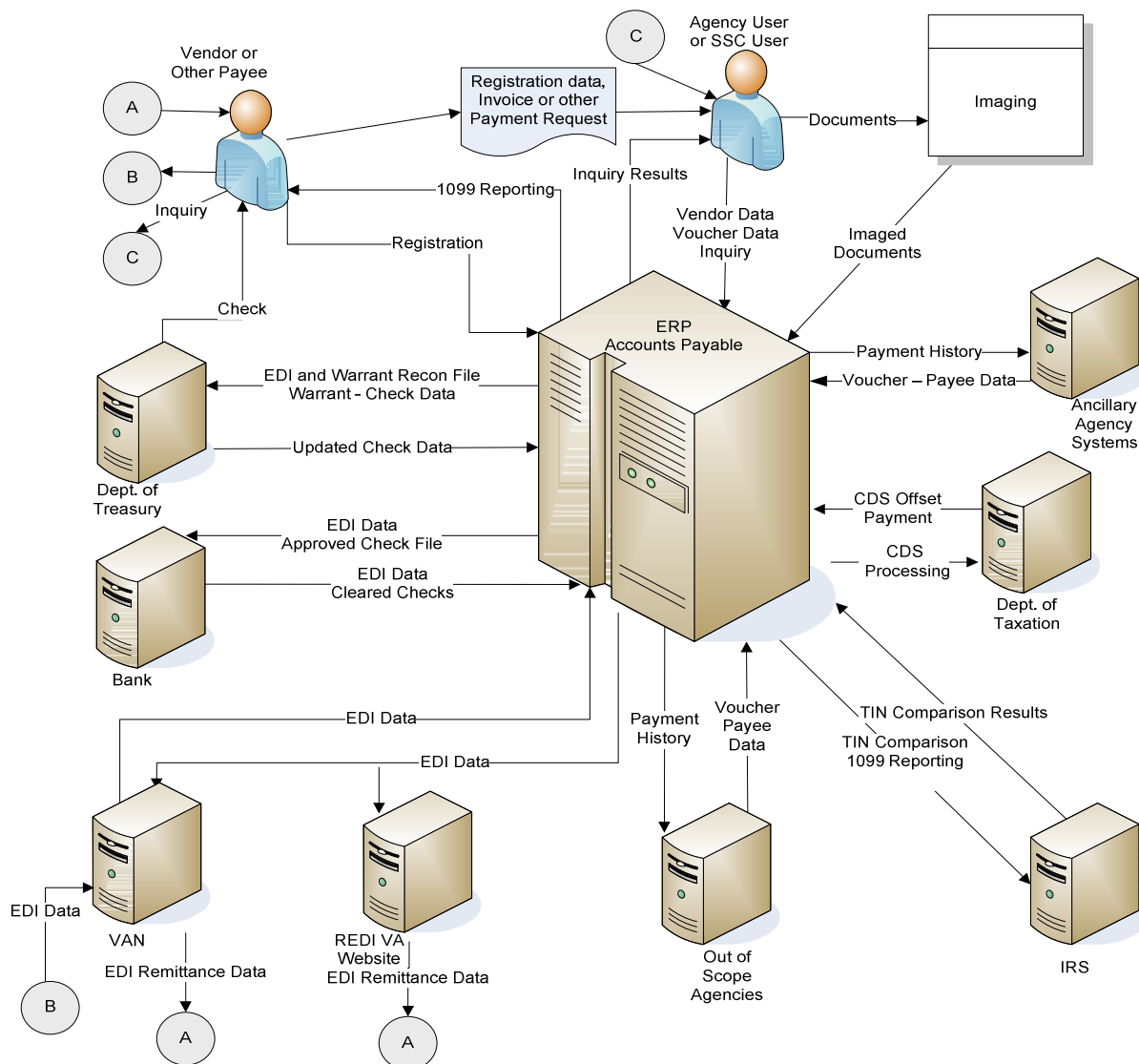


Exhibit 2 illustrates the Accounts Payable future state environment. Phase 1 will include those agencies that key data directly in CARS and other agencies whose financial systems will be replaced by the ERP system. Out of scope agencies will continue to interface to the ERP system. During future phases, additional agencies will use the ERP system as their primary financial system, reducing manual effort, redundant data collection and reconciliation.

When Phase 2 agencies come into the ERP, AP data will be interfaced or entered at the same detail level as the Phase 1 agencies. Having Phase 1 and Phase 2 detail AP data in the ERP will provide the ability to further the benefits gained from the implementation of Phase 1 agencies.

In the future state, new technology and best practices will combine to generate substantial productivity improvements. Aided by new technology and process improvements, accounts payable will realize increased operational efficiencies and capabilities. Repetitive data entry and manual tasks such as matching invoices to purchase orders and receiving documents will be significantly reduced. Efforts such as calculating payment due dates will be automated. Automated workflow will route transactions for error correction, approval, and recommendations for review and comment. Automated imaging will provide the ability to better manage work volumes, reduce paper and reduce storage requirements. Process improvements will provide opportunities to standardize procedures, reduce the number of checks processed, provide for more efficient and accurate 1099 reporting, and improve customer service.

At the heart of the Financial Management solution is a commercially available integrated financial system with Accounts Payable capabilities, including various disbursement mechanisms and support for intergovernmental and interagency transactions (IAT). Further, the Financial Management system should have the following characteristics:

- support cash, modified accrual, accrual and encumbrance accounting,
- support Central and agency-required business processes,
- support a modern technology foundation enabling transition to a service-oriented architecture,
- provide an efficient and intuitive user interface for vendors and/or accounts payable inquiry requirements,
- support embedded workflow processing through established business rules,
- support automated matching of purchase order, receiving documentation and invoice where appropriate,
- provide integrated and powerful reporting capabilities including management reporting tools, decision analytics, and management performance dashboards, as well as a variety of standard tools to generate queries and reports,
- ability to recognize different types of voucher expenditures, i.e. contracts, travel reimbursement, inter-agency transfers, etc.,
- provide a comprehensive security and internal control environment,
- support integration and interface with applications for related business functions such as purchasing and time and attendance,
- support correction of transactions at the agencies as well as centrally at DOA,
- support the integration of all modules based on single data entry point,
- support processing electronic invoices and payments, and
- support Virtual Card payment (V-payment) processing which is the conversion of a vendor payment transaction to a charge on a Purchase Card (Virtual Card) in lieu of a check or EDI payment.

2.1.4 Improvement Opportunities

The implementation of the new ERP system along with new and modified policies and procedures will provide a number of benefits and improvements to financial management processes within the Commonwealth of Virginia.

Some of the overall improvements that will be achieved with the new ERP system are:

- elimination of redundant data entry and reconciliation,
- automated workflow capabilities,
- reduced risk associated with dated system applications and the aging workforce most familiar with them,
- a web-based, intuitive user interface,

- more efficient customer service to the citizens of the Commonwealth of Virginia,
- integrated and powerful reporting capabilities including management reporting tools, decision analytics, and management performance dashboards, as well as a variety of standard reports, inquiries, and tools, and
- comprehensive security and internal controls.

Some specific improvements that will be achieved in accounts payable include:

- CAFR preparation based upon consistent cash, accrual, and modified accrual ledgers,
- reduce paper by processing electronic invoices,
- reduce the number of checks generated by increasing the number of EDI payments to vendors and use of Virtual Card payments, resulting in less:
 - due diligence and escheating,
 - mail preparation and postage, and
 - lost checks and other mail-related incidents,
- consolidate vendor records to improve accessibility to information and payment history,
- reduce the effort for 1099 reporting,
- provide automated calculation of payment due date,
- provide automated workflow to reduce paper handling and increase efficiency with predefined business rules,
- provide automated match process between invoice, purchase order, and goods/service receipt by storing information in the same system,
- provide capability to link and store imaged documents to reduce paper and space requirements,
- reduce time required to route vouchers for approval or for corrective action through the use of workflow,
- improve efficiency by automating the process of recurring vendor payments,
- reduce the amount of time and effort to produce specialized reports,
- provide enhanced capture, classification and reportability of reimbursable costs,
- decrease the number of phone calls and requests for customer service by providing on-line vendor self-service research,
- increase the dollar amount of rebates received from the charge card contractor by paying on daily transactions rather than a billing cycle in addition to using Virtual Card payments in lieu of a check or EDI payment,
- expand the opportunities for agencies to respond to audits more efficiently,
- ability to respond more quickly to pending Federal or state mandates,
- standardized processes and implementation of best practices,
- better positioning if SOX-type requirements are placed on state government, and
- application infrastructure consistent with Virginia's economic development message of technology leadership, which will:
 - eliminate projects to upgrade existing systems,
 - eliminate potential projects by agencies to replace unsupported systems,

- eliminate projects by agencies to replace CARS as their primary system,
- reduce development and support of redundant financial modules, and
- reduce amount of technology infrastructure required.

2.2 Problem Statement

The problem statements below identify the overall problems that are apparent for the current environment related to the *Financial Management - Accounts Payable* business process.

Problem	Effect	Impact	Solution	Benefit
1. There are redundant processes and intensive manual effort.	<ul style="list-style-type: none"> • Manual and redundant data entry • Significant collation and aggregation of information from disparate sources • Generic processes and systems replicated across multiple agencies • Duplication of effort • Extensive reconciliation • Dual correction processes 	<ul style="list-style-type: none"> • Functional and technical integration lacking • Reduced employee productivity • Manual attachments of paper documents for payment support • Difficult reconciliation • Inability to provide timely information for managers 	<ul style="list-style-type: none"> • Consolidate into one system the invoices, purchase orders and receiving reports to automatically match and process payment requests. • Create a state-of-the-art payment processing and reporting environment. • Simplify reconciliations. • Increase workflow to automate requests and approvals across agencies. 	<ul style="list-style-type: none"> • Increased employee productivity due to reduction of manual effort • Decreased volume of paper associated with matching documents and transaction processing documents, as a result of imaging • Integrated process from purchase to payment • Duplicate and redundant entry of data minimized • Reduced risk of duplicate payments

Problem	Effect	Impact	Solution	Benefit
2. Numerous financial systems are operated and maintained.	<ul style="list-style-type: none"> • Every agency has established processes and/or systems to address their internal Accounts Payable requirements. • There is a high cost for maintaining and supporting duplicate systems. 	<ul style="list-style-type: none"> • Lack of integration spread across multiple financial systems • Old, and in some cases, unsupported technology in support systems • Redundant processes causing duplicate effort • Dated applications at risk of failure • Lack of accurate financial and management reporting 	<ul style="list-style-type: none"> • Replace CARS and other financial systems with an integrated financial system. • Reduce level of technology infrastructure required. • Standardize systems and procedures across agencies. • Provide an application infrastructure consistent with Virginia's position among the states as a financial and technology leader. 	<ul style="list-style-type: none"> • High level of integration between agencies and systems • Improved operational efficiencies and reduced risk • Increased capability to integrate with other functions such as general accounting, purchasing, fixed assets, and accounts receivable • Current, accurate management and financial reporting • Consistent cash, accrual, and modified accrual based ledgers for CAFR preparation

Problem	Effect	Impact	Solution	Benefit
3. Vendors are maintained in multiple systems.	<ul style="list-style-type: none"> • There is no uniquely assigned Vendor ID across agencies and departments. • Records maintained at the agency often are incomplete and inconsistent. • Each agency produces a 1099 for each of its vendors. • Vendors conducting business with multiple agencies must supply information to each agency and contact different agencies for remittance assistance. 	<ul style="list-style-type: none"> • History for each Vendor is not compiled. • Multiple payments are issued to one Vendor from multiple agencies. • 1099 reporting is difficult. • Confused vendors and frustration due to having to contact multiple agencies. 	<ul style="list-style-type: none"> • Establish a Vendor Portal where vendors register online. • Automate the assignment of a unique Vendor ID to be used for all transactions across agencies. • Consolidate and maintain Vendor history. • Capture 1099 reportable payments from multiple sources in a central location. • Provide Vendors with a single point of contact and ability to research invoices and payments. 	<ul style="list-style-type: none"> • Unique Vendor ID to facilitate compliance with privacy issues related to using TINs • Increased opportunity for reducing the number of checks generated • Increased accuracy of reporting Vendor income subject to 1099 reporting • Reduced number of W9's filed and processed • Increased ability to view status of payments online and in one location • Reduced staff time for managing vendors

3. Stakeholder and User Descriptions

To effectively provide products and services that meet the needs of stakeholders and users it is necessary to identify and involve all of the stakeholders as part of the future state environment for the *Financial Management – Accounts Payable* business process. This section provides a profile of the stakeholders and users involved in the project and the key problems that they perceive to be addressed by the ERP Solution.

3.1 Stakeholder and User Definition

A stakeholder is a party who affects, or can be affected by, the Commonwealth's actions in relation to the business process within the Financial Management and Performance Budgeting Processes. The stakeholder concept was developed and championed by R. Edward Freeman in the 1980s. It has gained wide acceptance in business practice and in theorizing relating to strategic management, governance, and business purpose.

Users are widely characterized as the individuals that use a system without complete technical expertise. However, users have understanding and knowledge of the business process in which the system is used to accomplish the execution of the business process.

3.2 User Summary

This section provides a list of the users involved in the project. This information will be used in the following section which describes the user profiles:

- In-Scope Agency Financial Management (FM) Staff,
- Vendors,
- Shared Service Center (SSC) Staff,
- Department of Accounts (DOA),
- Department of General Services (DGS),
- Virginia Department of Transportation (VDOT),
- Virginia Employment Commission (VEC),
- Virginia Information Technologies Agency (VITA), and
- Department of Treasury (TD).

3.3 User Profiles

Each unique user of the system is described in this section. User types can be as divergent as experts and novices. For example, an expert might need a sophisticated, flexible tool with cross-platform support, while a novice might need a tool that is intuitive based upon prescribed standards. No attempt is made in this section to distinguish between the requirements of the different users.

3.3.1 In-Scope Agency Financial Management (FM) Staff

User Type Name	In-Scope Agency FM Staff
Representative	FM Staff from any In-Scope agency who manages financial activities
Description	Agency FM Staff are individuals who support accounts payable activities
Type	A user of the system
Responsibilities	<ul style="list-style-type: none"> • Support Accounts Payable activities • Provide customer service to agencies and employees • Conduct pre-audit of expenditures • Participate in DOA review of pre-audit compliance

User Type Name	In-Scope Agency FM Staff
Success Criteria	<ul style="list-style-type: none"> • The ERP solution performs integrated financial functions as designed, eliminating duplicate and redundant data entry • The number of duplicate checks is reduced • Agency duplication of effort in producing the 1099 returns is reduced • The system is useable by trained staff • Complete, accurate procedures and training are available • Training covers how to use the system for work-related tasks • Security and workflow are set properly and work as designed / intended • Ability to retire legacy financial management systems • Reports are accurate and timely
Involvement	<ul style="list-style-type: none"> • Provide knowledge as needed in relation to business processes • Streamline agency specific Accounts Payable policies, procedures and business processes • Participate in User Acceptance Testing

3.3.2 Vendors

User Type Name	Vendors
Representative	Payees of the Commonwealth
Description	Vendors are individuals, businesses or agencies some of whom provide goods and services to the Commonwealth and submit invoices for payment
Type	Vendors could be a user of the registration, invoicing or payment inquiry components of the system
Responsibilities	<ul style="list-style-type: none"> • Register as a Vendor with the Commonwealth and obtain a unique Vendor ID • Maintain current and accurate vendor information for payment method, banking information, address and any other payee-specific information • Submit invoices to Commonwealth agencies • Access payment data and post payments properly
Success Criteria	<ul style="list-style-type: none"> • The system is usable by trained staff, making the process efficient to submit information and inquire about status • 1099s are transmitted electronically and the number of forms issued per vendor is reduced • Payments are received timely and remittance data is complete
Involvement	<ul style="list-style-type: none"> • Provide knowledge as needed in relation to business processes • Update Commonwealth records in order to use the new Vendor ID Number • Participate in User Acceptance Testing

3.3.3 Shared Service Center (SSC)

User Name	Shared Service Center Staff
Representative	Employees of the SSC
Description	SSC staff provides customer service to vendors and users; this may include activities such as processing vendor information and 1099 returns as well as error correction
Type	SSC is a user of the system
Responsibilities	<ul style="list-style-type: none"> • Perform/assist vendor setup and maintenance • Process W-9 information • Provide customer service to vendors, agencies and employees • Use the system to support accounts payable activities • Process 1099 returns for vendors and IRS • Correct errors on transactions • Perform due diligence on combined payments crossing agencies

User Name	Shared Service Center Staff
Success Criteria	<ul style="list-style-type: none"> • The ERP solution captures vendor attributes and maintains accurate and timely data • The system is usable by trained staff and vendors • Complete, accurate procedures and training are available • Training covers how to use the system for work-related tasks • Security and workflow are set properly and work as designed • Reports are accurate and timely
Involvement	<ul style="list-style-type: none"> • Provide knowledge as needed in relation to business processes • Provide customer service for vendors and users • Participate in User Acceptance Testing

3.3.4 Department of Accounts (DOA)

User Name	Department of Accounts (DOA)
Representative	Department of Accounts (DOA) employees involved in accounts payable and general accounting
Description	The Department of Accounts is the central financial accounting agency for the Commonwealth.
Type	DOA administers the system and processes all requests for payment
Responsibilities	<ul style="list-style-type: none"> • Provide financial leadership for the Commonwealth and its workforce • Develop and administer policies and programs for the management of Accounts Payable • Conduct pre- or post-audit of payment vouchers • Prepare CAFR • Oversee the Electronic Data Interchange (EDI) process • Oversee the V-payment process • Oversee the CDS process • Generate warrants (orders to pay)
Success Criteria	<ul style="list-style-type: none"> • The ERP solution performs integrated financial functions as designed, performs successful transmissions of EDI data and payments, and updates records accordingly • The system is usable by trained staff • Complete, accurate procedures and training are available • Training covers how to use the system for work-related tasks • Security and workflow are set properly and work as designed • Streamlined Accounts Payable policies and processes are efficient to implement, enforce and monitor • Ability to retire legacy financial management system (CARS) • Reports are accurate and timely
Involvement	<ul style="list-style-type: none"> • Provide knowledge as needed in relation to business processes • Streamline agency specific Accounts Payable policies, procedures and business processes • Participate in User Acceptance Testing • Participate in conversion of EDI trading partners • Participate in conversion of vendor records

3.3.5 Department of General Services (DGS)

User Name	Department of General Services (DGS)
Representative	Department of General Services (DGS) employees involved in Accounts Payable processes
Description	The Department of General Services is a central agency providing a broad range of administrative services to the citizens, the Commonwealth and businesses.
Type	DGS is a user of the system
Responsibilities	<ul style="list-style-type: none"> • Provide accounts payable services to agencies in the Administrative Secretariat • Provide customer service to agency and employees • Use the system to support Accounts Payable activities • Provide pre-audit approval of agency expenditures

User Name	Department of General Services (DGS)
Success Criteria	<ul style="list-style-type: none"> • The ERP solution performs integrated financial functions as designed, eliminating duplicate and redundant data entry • The system is usable by trained staff • Complete, accurate procedures and training are available • Training covers how to use the system for work-related tasks • Security and workflow are set properly and work as designed • Ability to retire legacy financial management systems • Reports are accurate and timely
Involvement	<ul style="list-style-type: none"> • Provide knowledge as needed in relation to business processes • Streamline agency specific Accounts Payable policies, procedures and business processes • Participate in User Acceptance Testing • Participate in conversion of vendor records

3.3.6 Virginia Department of Transportation (VDOT)

User Name	Virginia Department of Transportation (VDOT)
Representative	Staff involved in the Accounts Payable process
Description	VDOT is responsible for the planning, development, maintenance and operation of the Commonwealth of Virginia's transportation infrastructure network.
Type	VDOT is a user of the system
Responsibilities	<ul style="list-style-type: none"> • Use the system to support Accounts Payable activities • Provide customer service to payees, agencies and employees • Provide pre-audit approval of agency expenditures
Success Criteria	<ul style="list-style-type: none"> • The ERP solution performs integrated financial functions as designed, eliminating duplicate and redundant data entry • The system is useable by trained staff • Ability to retire legacy financial management systems • Complete, accurate procedures and training are available • Training covers how to use the system for work-related tasks • Security and workflow are set properly and work as designed • Reports are accurate and timely
Involvement	<ul style="list-style-type: none"> • Provide knowledge as needed in relation to business processes • Streamline agency specific Accounts Payable policies, procedures and business processes • Participate in User Acceptance Testing • Participate in conversion of vendor records

3.3.7 Virginia Employment Commission (VEC)

User Name	Virginia Employment Commission (VEC)
Representative	Staff involved in the Accounts Payable process
Description	The Virginia Employment Commission is a central agency that provides the delivery and coordination of workforce services for businesses, employers and citizens.
Type	VEC is a user of the system
Responsibilities	<ul style="list-style-type: none"> • Use the system to support Accounts Payable activities • Provide customer service to agency and employees • Provide pre-audit approval of agency expenditures

User Name	Virginia Employment Commission (VEC)
Success Criteria	<ul style="list-style-type: none"> • The ERP solution performs integrated financial functions as designed, eliminating duplicate and redundant data entry • The system is useable by trained staff • Ability to retire legacy financial management systems • Complete, accurate procedures and training are available • Training covers how to use the system for work-related tasks • Security and workflow are set properly and work as designed • Reports are accurate and timely
Involvement	<ul style="list-style-type: none"> • Provide knowledge as needed in relation to business processes • Streamline agency specific Accounts Payable policies, procedures and business processes • Participate in User Acceptance Testing • Participate in conversion of vendor records

3.3.8 Virginia Information Technologies Agency (VITA)

User Name	Virginia Information Technologies Agency (VITA)
Representative	Staff involved in the Accounts Payable process
Description	VITA is a central agency providing information technology support and oversight to the Commonwealth.
Type	VITA is a user of the system
Responsibilities	<ul style="list-style-type: none"> • Use the system to support Accounts Payable activities • Provide customer service to agency and employees • Provide pre-audit approval of agency expenditures
Success Criteria	<ul style="list-style-type: none"> • The ERP solution performs integrated financial functions as designed, eliminating duplicate and redundant data entry • The system is useable by trained staff • Ability to retire legacy financial management systems • Complete, accurate procedures and training are available • Training covers how to use the system for work-related tasks • Security and workflow are set properly and work as designed • Reports are accurate and timely
Involvement	<ul style="list-style-type: none"> • Provide knowledge as needed in relation to business processes • Streamline agency specific Accounts Payable policies, procedures and business processes • Participate in User Acceptance Testing • Participate in conversion of vendor records

3.3.9 The Department of Treasury (TD)

User Name	The Department of Treasury (TD)
Representative	Staff of the central agency responsible for the Commonwealth's banking
Description	The Department of Treasury is a central state agency that provides statewide financial services for agencies and institutions of the Commonwealth.
Type	Treasury is a user of the warrant/check processing portion of the system
Responsibilities	<ul style="list-style-type: none"> • Use the system to receive data and print checks • Manage cash • Provide customer service to payees, agencies and employees • Track check status • Perform bank reconciliation

User Name	The Department of Treasury (TD)
Success Criteria	<ul style="list-style-type: none"> • The ERP solution provides timely data to enable printing of checks • Integration with check printing equipment and US. Postal Services software, maintaining requirements for postal discounts • The system is useable by trained staff • Successful integration with Recon Plus system • Security and workflow are set properly and work as designed • Reports are accurate and timely
Involvement	<ul style="list-style-type: none"> • Provide knowledge as needed in relation to business processes • Streamline agency specific Accounts Payable policies, procedures and business processes • Participate in User Acceptance Testing • Perform reconciliations • Test mapping check file for check printing

3.4 Stakeholder Summary

The following section provides a list of the groups/parties which can either affect or can be affected by the Commonwealth's actions in relation to the business processes within Financial Management. The table that follows additionally provides information about the type of influence the stakeholder may have, their needs and expectations, success criteria, key challenges/issues/concerns associated with the stakeholder, as well as the risk of not addressing their needs/expectations, and the stakeholder's general interest in the VEAP.

3.5 Appendix B - Stakeholder Profiles

4. Key Product Requirements

While the detailed business and system requirements for the Accounts Payable Business Process are contained within Appendix A, several high level Accounts Payable requirements are highlighted below.

Streamlined Processing – This requirement maximizes the efficiency of data entry by eliminating duplicate and redundant points of entry. Several solutions to expedite invoice entry will be introduced, which will allow users to realize improved business collaboration, enhanced accounts payable response capability and higher Commonwealth employee productivity.

Centralized Vendor File - This requirement addresses the ability to capture all vendor data in a central vendor file using a unique Vendor ID. Assigning a unique vendor number facilitates compliance with privacy laws while being able to perform 1099 reporting using TINs. Using the internet, payees will be able to register and maintain their vendor information and access their payment data.

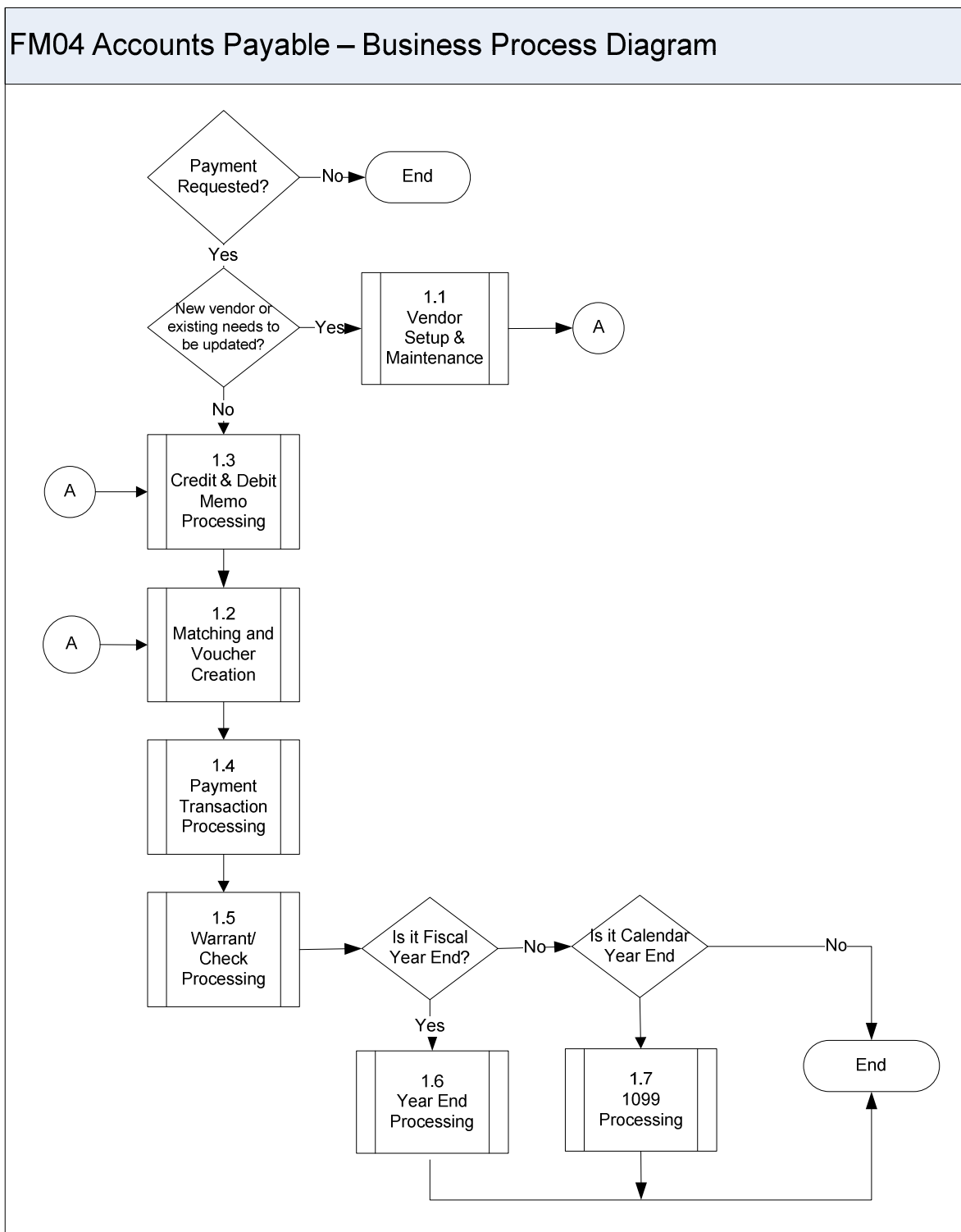
Improved Vendor Payment Processing – This requirement addresses efficiencies related to payment for goods and services and non-purchase related payments. Efficiencies include automated matching of invoices, purchase orders and receiving documents; automated calculation of payment due dates, which will help ensure compliance with Prompt Pay Statutes; workflow approval and notification of a payment; and consolidation of check payments across agencies, which will reduce the number of checks issued.

Improved Accessibility to Information – This requirement includes the ability to perform efficient ad hoc reporting and online inquiries that will allow users to quickly access vendor and payment data. Enhanced online inquiry and reporting greatly improves management's ability to forecast and make informed business decisions. Online inquiry for vendors should improve customer satisfaction and vendors' correctly and timely posting of Commonwealth payments.

5. Process Thread Summary

This section lists the process threads related to Accounts Payable. It provides a general description of the business process and lists governing regulations and policy or procedures related to Accounts Payable.

Exhibit 3 – FM04 Accounts Payable – Business Process Flow



#	Business Thread Name	Description of Business Process Thread	Governing Regulations/Policy
FM04-1.1	Vendor Setup and Maintenance <i>(Note: Appendix A requirements and Section 7 details for Vendor Setup and Maintenance have been moved to Purchasing)</i>	Vendor Setup and Maintenance is the process of entering and maintaining vendor or other payee information in the system. This includes vendors conducting business with and receiving funds from the Commonwealth, as well as other payees such as employees, localities, Federal and State Agencies and Right of Way landowners.	<ul style="list-style-type: none"> • CAPP Manual, Section 60111, Vendor Edit Table • Code of Virginia, Title 2.2 Chapter 43 and Chapter 48 • Freedom of Information Act
FM04-1.2	Matching and Voucher Creation Process	The Matching and Voucher Creation Process includes capturing invoice information (paper and electronic) in the system and performing no-match, two-way, three-way or four-way match to purchase order, receiving documents, and inspection report to create a voucher. It also includes creation/input of vouchers from external systems.	<ul style="list-style-type: none"> • CAPP Manual, Cash Disbursements Accounting, Section 20300 • Code of Virginia, Title 2.2 Chapter 43 and Chapter 48
FM04-1.3	Credit and Debit Memo Processing	Credit and Debit Memo processing includes applying credit or debit memos issued by vendors to a specific payable or across all payables to the vendor.	<ul style="list-style-type: none"> • Appropriation Act • Code of Virginia, Title 2.2, Chapter 43
FM04-1.4	Payment Transaction Processing	Payment Transaction Processing encompasses the activities required for calculating, editing, approving, pre-auditing and scheduling transactions for payment.	<ul style="list-style-type: none"> • CAPP Manual, Cash Disbursements Accounting, Section 20300 • Code of Virginia, Title 2.2 Chapter 43 and Chapter 48 • Code of Virginia, Section 2.2-1822, and Comptroller's Pre-audit • Appropriation Act
FM04-1.5	Warrant/Check Processing	Warrant/Check Processing includes all activities required for the preparation, processing and distribution (both electronic and hard copy) of payments to vendors. Additionally, the thread includes all ancillary pre- and post-warrant report processing; CDS (Comptroller's Debt Setoff) processing; V-payment processing; assignment of check numbers, check dates, EDI trace numbers and settlement dates; and bank reconciliation.	<ul style="list-style-type: none"> • CAPP Manual Section 20300, Disbursements; Section 20900, Reconciliation • 31 CFR Part 205 Federal Cash Management Improvement Act (CMIA) • Code of Va. Section 2.2-1810; 1811; 1821; 1822; 1825; 1826; and 1827

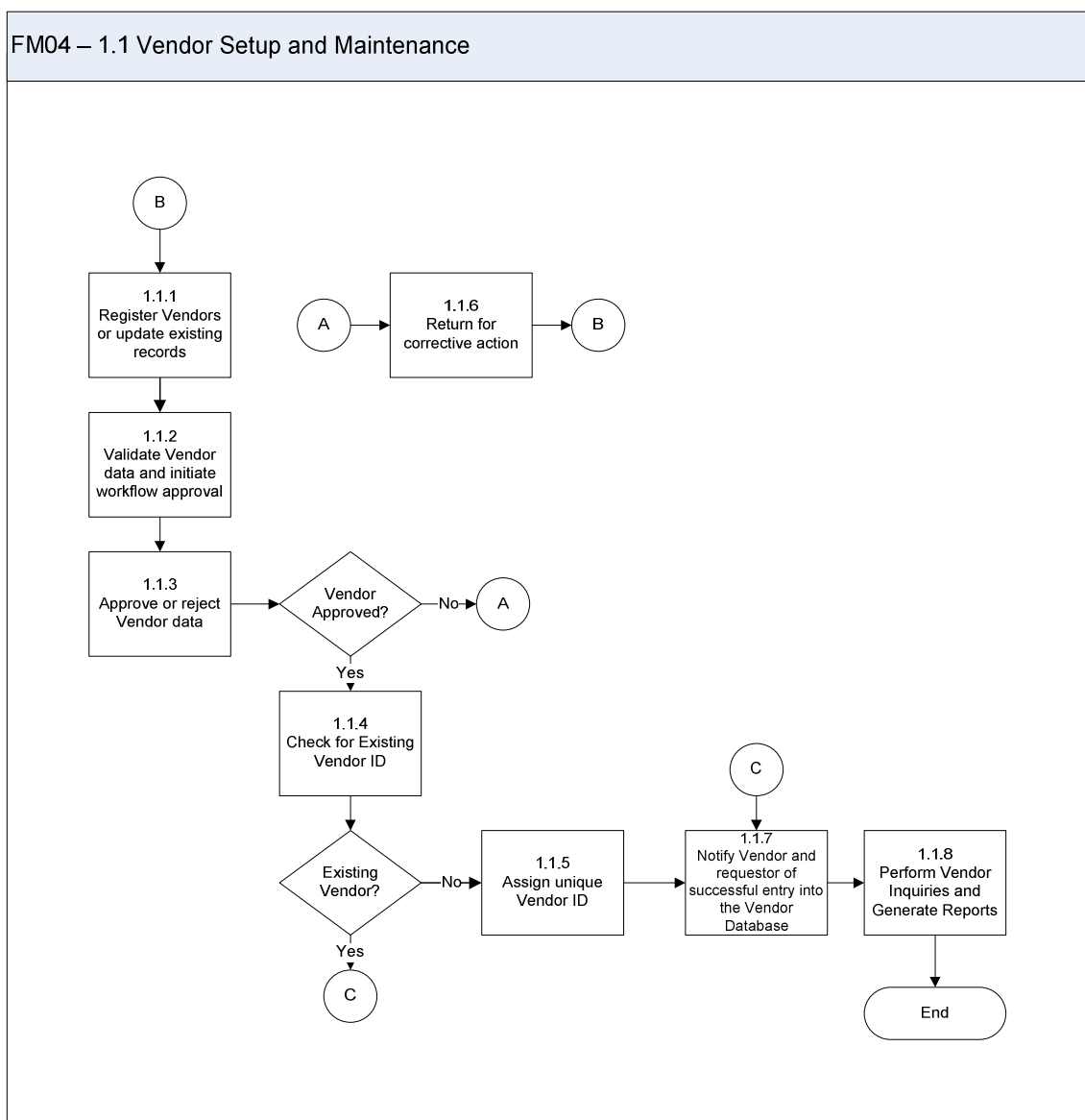
#	Business Thread Name	Description of Business Process Thread	Governing Regulations/Policy
			<ul style="list-style-type: none"> Federal Grants Management (federal three-day rule) Appropriation Act
FM04-1.6	Year-end Processing	Year-end Processing includes all activities required for capturing and enforcing the voucher cutoff rules, identifying accounts payable balances, and scheduling the release of checks and electronic payments at the end of the fiscal year.	<ul style="list-style-type: none"> CAPP Manual, Sections 20905, 30905, 70805; 50915 Year end close Code of Virginia, Title 2.2, Chapter 43 Appropriation Act
FM04-1.7	1099 Processing	1099 Processing and reporting activities encompass the process of capturing and reporting vendor income to both the IRS and the vendor for the calendar year. Vendors include all payees, including Right of Way landowners, employees, and others receiving funds from the Commonwealth.	<ul style="list-style-type: none"> CAPP Manual, Sections 20320 and 70805 Code of Virginia, Section 2.2-1822; Section 11-62.11 IRS Code, Section 3406(a) Appropriation Act

6. Process Thread Detail Description

This section describes each process thread with a more detailed description.

6.1 Vendor Setup and Maintenance

Exhibit 6.1



FM04-1.1 – Process Thread Description – Vendor Setup and Maintenance	
Process Description:	<p>Vendor setup and maintenance is the process of entering and maintaining Vendor information in a centralized system for Vendors doing business with the Commonwealth. Ancillary systems will send updated Vendor data via an interface from the source system. Vendor approval workflow business processes will be established to ensure accurate and timely Vendor entry and approval.</p> <p>Vendor entry and maintenance will be restricted by agency business security rules. This new best practices business process reengineering initiative will improve the accuracy of vendor information. Vendors that are employees will be processed under strict system security guidelines to ensure privacy. The Vendor entry and maintenance business process will allow for auto-vendor duplicate lookups at time of entry and/or maintenance to avoid adding duplicate Vendors.</p>
Improvement Opportunities:	<ul style="list-style-type: none"> • Centralize vendor records and processes via a Shared Service Center (SSC) model. • Create a single statewide Vendor ID and data collection point. • Compare TIN w/IRS records. • Increase accuracy of vendor data. • Capture information on the vendor table for Vendors who are also Accounts Receivable customers to reduce amount of time involved in researching customer information. • Provide ability to look up vendors in one central source of Vendor information and allow agencies to share information. • Provide ability to track vendor history. • Enhance the ability to update and maintain information online by vendors or by users. • Reduce time involved in customer service with vendors by providing ability to look up payments by vendor, invoice number, voucher, contract number, check number or other criteria. • Establish payment profile for each vendor so payments are disbursed to proper address and cash discount information is automatically applied. • Provide capacity to capture vendor offset payments (such as tax levies and garnishments). • Facilitate electronic invoice processing. • Provide for processing electronic signatures for vendors. • Provide for international EDI processing.
Legal/Policy Reform Impacts:	<p><u>Legal</u></p> <ul style="list-style-type: none"> • If electronic signatures are approved, there may be legal issues. • Legislation may be required if EDI processing is mandated for any category of payee. <p><u>Policy</u></p> <ul style="list-style-type: none"> • New procedures will require agency policy changes when Vendor records are consolidated. • New procedures are required to approve electronic signatures. • CAPP Manual will require updating.
Organization/People Impacts:	<ul style="list-style-type: none"> • Reduce staff time spent entering and updating Vendor information. • Training for agency staff and Vendors on the new web system and procedures for setting up Vendor accounts will be required. • Consolidated Vendor information will require collaboration across agencies for common practices and procedures. • IRS coordination is required. • Decreased volume of vendor interaction with agencies may be realized with new system and SSC customer service.

FM04-1.1 – Process Thread Description – Vendor Setup and Maintenance	
	<ul style="list-style-type: none"> • Advance notice and public information for vendors will be critical success factors. • Retaining staff may require new job descriptions.
Assumptions:	<ul style="list-style-type: none"> • Vendors are registered with the Commonwealth and assigned one Vendor ID for all business conducted with any agency in the Commonwealth. • There will be one central Vendor table with a link to Customers. • Vendors will have access to payment data online. • All required vendor information for Employees will be captured through Time and Attendance. Employee Vendor ID will equal Employee ID assigned by PMIS. • Vendor registration may occur in internal and external systems, but the information will update a central vendor file. • Mandates for Vendors to use EDI payment processing will be phased in (i.e. vendors under contract, towns, and vendors registered on ERP after a certain date). • The Commonwealth requires a Form W-9 from vendors who provide goods and services. • The Commonwealth requires a W-8 form from foreign payees to certify their foreign status. • Electronic (on-line) Vendor registration and maintenance is in scope. • System will capture Small, Women, and Minority owned (SWAM) vendor attributes and report on percentages.
Access Methods:	<ul style="list-style-type: none"> • Web Browser
System Interfaces:	<ul style="list-style-type: none"> • Note: Section 7 and System Interface details for Vendor Setup and Maintenance have been moved to Purchasing

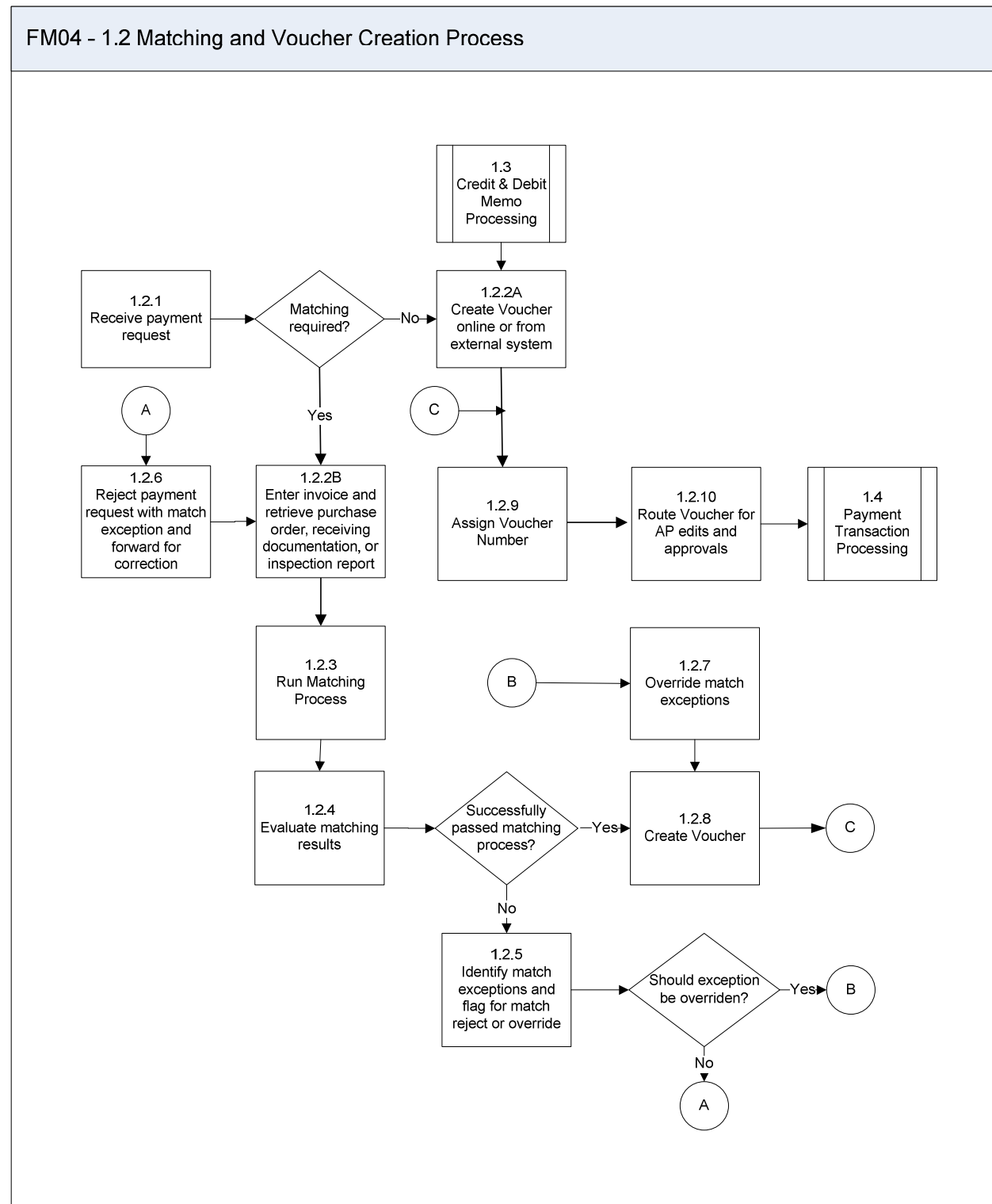
Process Details			
ID	Step	Description	Detailed Steps
1.1.1	Register Vendors or update existing records.	Add new records to a Vendor table or update existing record. Enter information on a Payment table for payment processing.	<p>Step 1: Vendors sign-on to the Web and input information online through the Vendor Portal. In addition to direct Vendor input, users in the Commonwealth can enter new Vendors or maintain existing vendor information with proper security level. User can indicate if a new record is being established or if it is an update.</p> <p>Step 2: Vendor information is also interfaced from ancillary agency systems which upload voucher files containing payees not on the vendor table and from vendors contained on the PCard daily transaction record (DTR).</p> <p>Step 3: System captures information such as Vendor Name, Legal Name, Business Address, Payment Address, Primary Contact, Phone Number, Email Address, Fax Number, TIN (EIN or SSN), Commodities the vendor offers, and Type of Business.</p> <p>Step 4: System checks TIN to see if the vendor is already in the system and if</p>

Process Details			
ID	Step	Description	Detailed Steps
			not, accepts the registration for processing. Step 5: System validates TIN w/IRS. Step 6: A W-9 form is generated for a new vendor to supply a valid TIN verify the type of business. Step 7: If any required attributes are modified per user requirements in the system, the appropriate stakeholder is notified via workflow notification. Step 8: System records actions and captures user audit information.
1.1.2	Validate Vendor data and initiate workflow approval.	System processes all vendor data and workflow security rules are applied for approval.	Step 1: Receive required paper work (e.g. W-9). Paperwork can be received electronically. Step 2: Vendor data is validated. Step 3: Workflow is initiated.
1.1.3	Approve or reject Vendor data.	Vendor is approved or rejected in workflow.	Step 1: If vendor data successfully passed workflow approval process, continue vendor setup (1.1.4). Step 2: If vendor data did not pass workflow approval process, return for corrective action (1.1.6).
1.1.4	Check for existing Vendor ID.	The system will check for a valid Vendor ID.	Step 1: If the vendor exists in the system, the vendor and requestor are notified of successful entry of change (1.1.7). Step 2: If the vendor is not in the system, a unique Vendor ID is assigned (1.1.5).
1.1.5	Assign vendors a unique Vendor ID.	Vendor ID is assigned for all new vendors.	Step 1: A unique Vendor ID for each new vendor is assigned (Time & Attendance feeds state employee Vendor ID). Step 2: Vendor records are updated for Vendor ID.
1.1.6	Return for corrective action.	If errors are encountered during processing, the record is placed on Hold and returned to the user or stakeholder for corrective action.	Step 1: Send incorrect vendor information to vendor and/or requestor for corrective action. Step 2: The record is on hold until corrective action is received. The reason for the hold, user and other information required can be viewed online. Step 3: Once information has been corrected, the record enters the system for further processing and approval.

Process Details			
ID	Step	Description	Detailed Steps
1.1.7	Notify Vendor and requestor of successful entry into ERP Solution.	Once the vendor is approved, the vendor or user is notified.	<p>Step 1: Notify vendor and stakeholders that vendor entry or vendor modification has completed successfully.</p> <p>Step 2: The vendor will be notified automatically electronically if an email address is available and if not, then a letter may be generated for mailing.</p>
1.1.8	Perform Vendor Inquiry and Reporting Process.	Vendor Reports are generated.	<p>Step 1: User will request specified vendor reports at required frequencies.</p> <p>Step 2: Reports are generated automatically through standard reports.</p> <p>Step 3: Ad-hoc queries can be performed for unique reporting requirements.</p> <p>Step 4: System will provide online inquiries to drill down for very detailed information.</p>

6.2 Matching and Voucher Creation Process

Exhibit 6.2



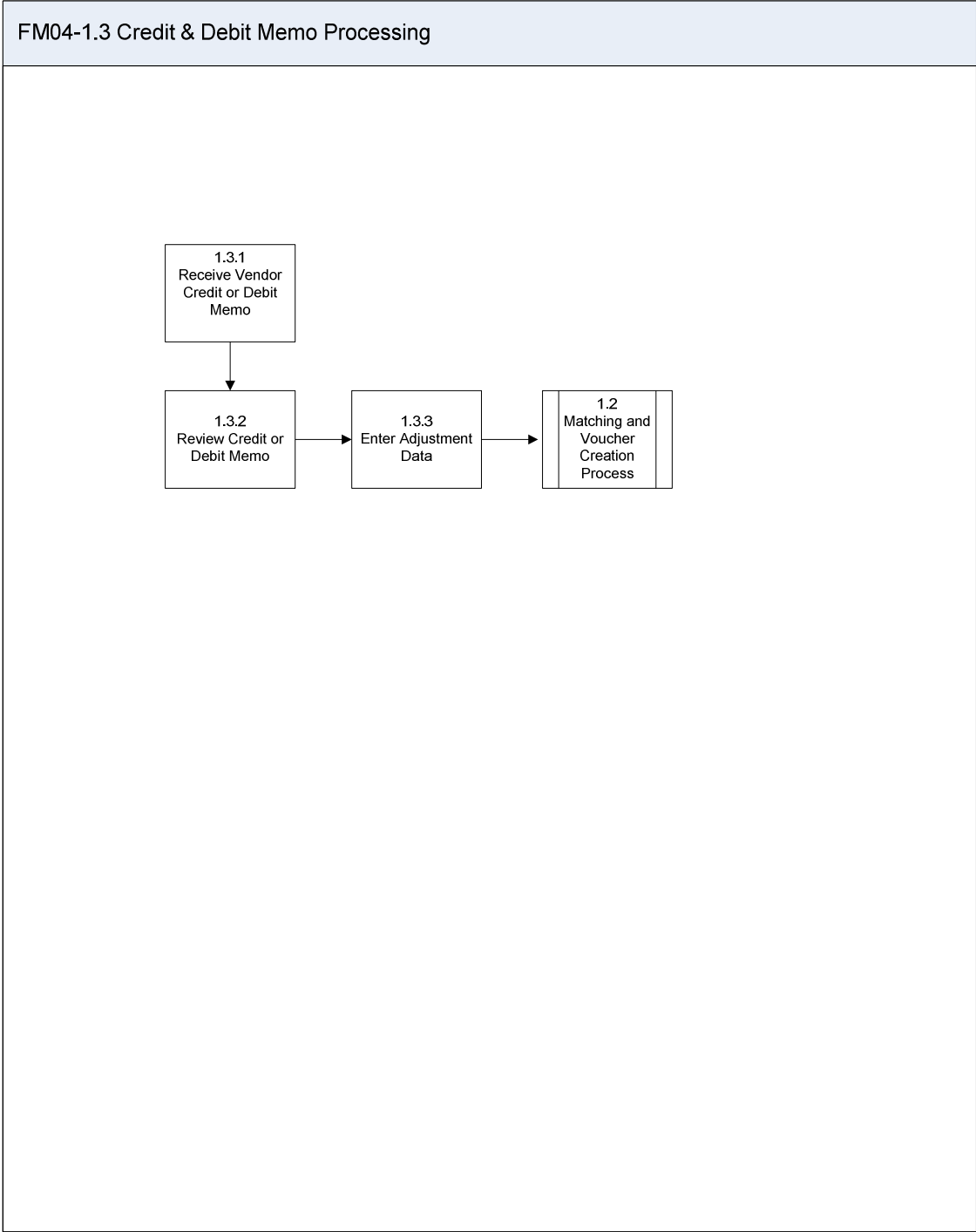
FM04-1.2 – Process Thread Description – Matching and Voucher Creation Process	
Process Description:	<p>The Matching and Voucher Creation Process encompasses all activities that are required to capture invoice data, perform matching and generate a voucher. The system performs matching to purchase order, receiving documents, and inspection report when these are required documentation for a payment and a voucher is created. Specific Agency business rules will dictate the level of required matching. Hence, there will be many matching rules at the Agency, Vendor and Item level. The Matching and Voucher Creation Process selects parameters from the record that identifies purchase orders and receiving data to be processed, and any supporting inspection documentation. The information is processed to perform a match where appropriate to the invoice.</p> <p>Certain services, recurring payments or contracts will not require a receiving document or vendor invoice to generate a payment request. Vouchers are also created for payments entered on-line not requiring matching. In addition, vouchers are interfaced from state agencies not in-scope or uploaded from ancillary systems.</p>
Improvement Opportunities:	<ul style="list-style-type: none"> • Provide ability to automatically match 0, 2, 3, or 4 way matching for payment requests once the required documents are entered into the system. • Greatly reduce staff time inputting and manually checking for purchase orders, receiver documents, and invoices. • Attach imaged documentation or electronic vendor invoices to payments. • Improve capability to process recurring payments. • Process vendor invoices electronically. • Check for duplicate invoice numbers before payment is made to reduce the number of duplicate payments. • Decrease the volume of vendor interaction which may be realized as a result of the Shared Service Center (SSC) and vendor online inquiry capabilities. • Eliminate dual data entry and redundant information.
Legal/Policy Reform Impacts:	<p><u>Legal</u></p> <ul style="list-style-type: none"> • None identified. <p><u>Policy</u></p> <ul style="list-style-type: none"> • Electronic invoices will require procedure changes. • Paper document requirements for audits must be modified. • If documents are imaged, identify record retention rules. • CAPP Manual will require updating.
Organization/People Impacts:	<ul style="list-style-type: none"> • Training for agencies and vendors on the ERP system and procedures will be required. • Retaining staff may require new job descriptions. • Agency developed interfaces will require modification.
Assumptions:	<ul style="list-style-type: none"> • Purchase Order, Receiving Report and Inspection Report information is captured outside of AP. The AP process begins with the receipt of invoice or other request for payment. • Data is available online from Purchasing. • Matching to PO, Receiving Report and Inspection Report will not be required for all types of vouchers, i.e. utility payments, employee travel reimbursements, highway construction payments and payments to Card vendor for daily PCard transactions. • Accounts Payable information will update certain non-PO related contracts such as construction and consultant contracts.

FM04-1.2 – Process Thread Description – Matching and Voucher Creation Process	
	<ul style="list-style-type: none"> Requirements for system to handle Evaluated Receipt Settlement (ERS) (pay on receipt) have been identified; however the Commonwealth has not elected to implement this practice at this time. Employee travel reimbursement payments will be processed through AP vs. Time and Attendance or Payroll. Contract information will be captured outside of Accounts Payable in the ERP solution. Remittance coupons that must be mailed with payee's check can be imaged into the system, linked to their voucher/payment, and printed and mailed with the check. The entry and processing of electronic invoices is in scope. The Travel Management process is not in scope.
Access Methods:	<ul style="list-style-type: none"> Web Browser
System Interfaces:	<ul style="list-style-type: none"> Ancillary Agency Systems Non-Phase 1 Agency Systems EDI VAN (electronic vendor invoice) Imaging system

Process Details			
ID	Step	Description	Detailed Steps
1.2.1	Receive payment request.	A request to pay or voucher enters the system online, or is interfaced from an external system. If a match is required it moves to Match Processing and if not, it goes into workflow for Voucher number assignment.	<p>Step 1: No match required – Voucher enters workflow waiting for a voucher number to be assigned.</p> <p>Step 2: Match required – matching documentation enters workflow for matching process.</p>
1.2.2A	Create voucher online or from external system.	A voucher requiring no match enters the system. Certain payments such as employee travel reimbursements, locality payments, recurring payments, road construction contracts or payments to Card vendor for daily PCard transactions will not require matching a purchase order, receiving document or vendor invoice to generate a voucher.	<p>Step 1: Create a voucher online or enter from an external system.</p> <p>Step 2: Accounting entries are captured.</p> <p>Step 3: Voucher enters workflow waiting for a voucher number to be assigned.</p>
1.2.2B	Enter invoice and retrieve purchase order, receiving and inspection report information.	The Matching Process includes capturing invoice information (paper and electronic) in the system along with supporting documentation, i.e. Purchase order, receiving documents, and inspection report to perform matching.	<p>Step 1: All required matching documentation is gathered and assembled.</p> <p>Step 2: All invoice, accounting entries and vendor payment information are entered into the system.</p>
1.2.3	Run matching process.	The matching process identifies any transactions that did not pass the process successfully.	Step 1: Run matching process.
1.2.4	Evaluate matching	If the match is successful the request	Step 1: Successfully passed matching

Process Details			
ID	Step	Description	Detailed Steps
	results.	enters workflow for voucher creation. If unsuccessful, exceptions are identified.	process moves to Voucher generation. Step 2: Unsuccessful match flags exceptions.
1.2.5	Identify match exceptions and flag for reject or match override.	Match exceptions are identified and worked in workflow.	Step 1: Any payment request with an error requiring corrective action is Rejected. Step 2: Business rule that allows the request to pass without a successful match is a Match Override.
1.2.6	Reject payment request with match exception and forward for correction.	A payment request without a successful match is rejected and returned to originator for corrective action.	Step 1: Review payment request, PO, invoice, receiving documentation to identify reason for match exception. Step 2: Complete required due diligence with payment request stakeholders to resolve match exceptions. Step 3: Fix document(s) with appropriate corrective action. Step 4: Corrected document(s) re-enters workflow for matching process.
1.2.7	Override match exceptions.	The payment request that did not pass the match process and meets certain business rules can be processed without a match.	Step 1: Accounts Payable staff member reviews the worklist for Match Exceptions. Step 2: Automatically approve Override for payments meeting specific business rules. Step 3: Verify business rules for manual Override. Step 4: Apply Override with proper security authority.
1.2.8	Create voucher.	A payment request meeting both the established business and system rules passes successful entry and a voucher is created.	Step 1: Produce Voucher.
1.2.9	Assign voucher number.	A sequential number is assigned to all vouchers processed for payment.	Step 1: Voucher number is assigned.
1.2.10	Route voucher for AP edits and approvals.	The voucher number is updated to the payment request record and the voucher is waiting to be edited and approved.	Step 1: Voucher number has been assigned and is now waiting to be edited in Payment Transaction Processing.

6.3 Credit & Debit Memo Processing
Exhibit 6.3

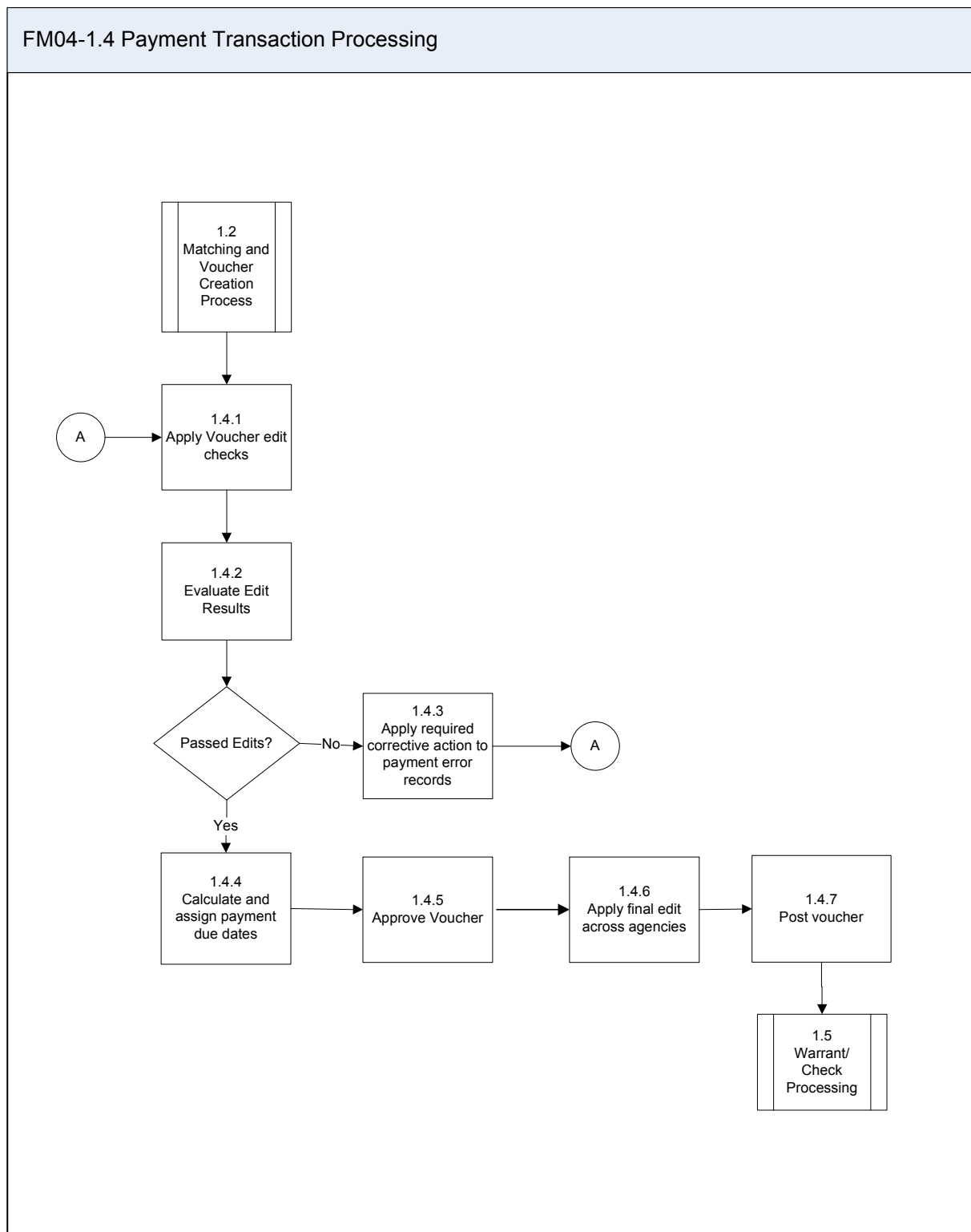


FM04-1.3 – Process Thread Description - Credit & Debit Memo Processing	
Process Description:	Vendor Credit & Debit Memo processing begins when notifications from the vendor are entered as adjustments for damaged goods, short or overage delivery of goods, and any other vendor adjusting scenarios. Reversal vouchers are utilized to create credit and debit memos. The Reversal type voucher ensures all of the original invoice information is automatically copied over to the reversal voucher. This assures all encumbrances are restored correctly.
Improvement Opportunities:	<ul style="list-style-type: none"> • Provide ability to net a credit or debit received from a vendor across multiple payment vouchers from multiple agencies or against a single invoice, depending on the nature of the credit. • Track payment information from date credit or debit is received through the date credit or debit was applied. • Improve capability to process credit or debit memos.
Legal/Policy Reform Impacts:	<u>Legal</u> <ul style="list-style-type: none"> • None identified. <u>Policy</u> <ul style="list-style-type: none"> • If credit memos cross agencies, then procedures will require change.
Organization/People Impacts:	Training for agencies and vendors on the new ERP solution and procedures for applying credit or debit memos will be required.
Assumptions:	<ul style="list-style-type: none"> • All debit and credit memo documentation will be processed by accounts payable staff. • All credits will be netted in the system prior to payment transactions being subject to CDS processing. • Vouchers are generated after the adjustment entry has been entered.
Access Methods:	<ul style="list-style-type: none"> • Web Browser
System Interfaces:	<ul style="list-style-type: none"> • Ancillary Agency Systems • Non-Phase 1 Agency Systems • Imaging system

Process Details			
ID	Step	Description	Detailed Steps
1.3.1	Receive Vendor Credit or Debit Memo.	Credit or Debit Memo relating to a specific payable or payment is received by agency staff.	Step 1: Vendor sends Commonwealth notification of under or over payment.
1.3.2	Review Credit or Debit memo.	Accounts Payable staff reviews previously processed voucher and invoice to verify the under or overpayment.	Step 1: Credit or Debit memo documentation is reviewed for correctness. Step 2: Appropriate follow-up due diligence is performed to validate over or under payment issue.
1.3.3	Enter adjustment data.	Accounts Payable staff enters adjustment voucher data and system records, as related ID, a previously processed voucher number to which the credit applies.	Step 1: Adjusting voucher data is entered to record over or under payment in the system. Step 2: Adjusting voucher data flows to Step 1.2.2A Matching and Voucher Creation Process .

6.4 Payment Transaction Processing

Exhibit 6.4



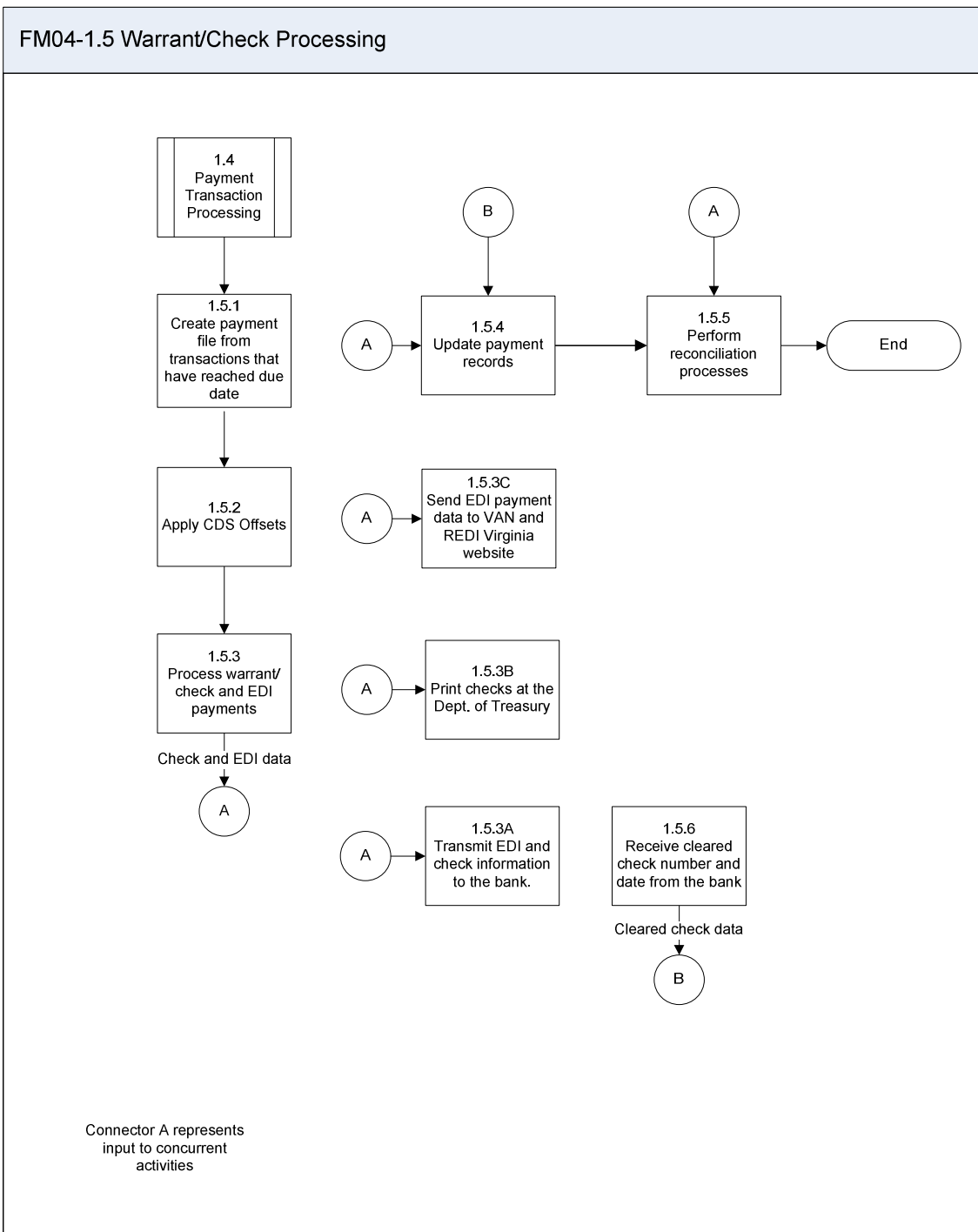
FM04-1.4 – Process Thread Description - Payment Transaction Processing	
Process Description:	Payment Transaction Processing is the process of requesting and producing payments to vendors and updating payment files.
Improvement Opportunities:	<ul style="list-style-type: none"> Utilize workflow for approval and payment process. Automatically calculate and assign due date. Vendor inquiries online will reduce staff time responding to vendor inquiries and payments. Reduce cycle time and increase coordination of information among systems. Correcting errors at agency level will save time and paper. Facilitate compliance with Prompt Payment Statutes and CMIA regulations. Provide drill down capabilities to look up transactions by vendor, object code, fund or cost code. Provide ability to withhold amounts for future government requirements. Automatically process payment offsets for past due receivables within an agency. Improve the processing and timeliness of interagency transfer payments.
Legal/Policy Reform Impacts:	<p><u>Legal</u></p> <ul style="list-style-type: none"> If liens, garnishments or netting of receivables cross agencies, there may be legal implications. <p><u>Policy</u></p> <ul style="list-style-type: none"> If netting of receivables is implemented across agencies, then procedure changes are required. If liens and garnishments cross agencies, procedure changes are required. If error correction is performed at the agency level, procedures and process changes are required. CAPP Manual will require updating.
Organization/People Impacts:	<ul style="list-style-type: none"> Users will require training to use the new system and implement new procedures.
Assumptions:	<ul style="list-style-type: none"> VAT (Value Added Tax) for international tax collection and reporting purposes is not in scope. The system will facilitate the requirement to process any future changes to Federal or state tax withholding from voucher payments.
Access Methods:	<ul style="list-style-type: none"> Web Browser
System Interfaces:	<ul style="list-style-type: none"> None

Process Details			
ID	Step	Description	Detailed Steps
1.4.1	Apply Voucher edit checks.	System edits voucher for agency-specific values.	<p>Step 1: The system applies edits such as valid values, budget checking, and other internal edits.</p> <p>Step 2: Payment offsets (such as garnishments, tax levies) and other payment holds are applied.</p> <p>Step 3: Debit/Credit Memo adjustments are netted against appropriate vouchers.</p>
1.4.2	Evaluate edit results.	The system captures edit processing results.	<p>Step 1: The system captures edit processing results, including edit errors.</p> <p>Step 2: Vouchers flagged with edit exceptions are forwarded to user for corrective action (Step 1.4.3).</p> <p>Step 3: Vouchers that pass edits are</p>

Process Details			
ID	Step	Description	Detailed Steps
			processed waiting for assignment of due date (Step 1.4.4).
1.4.3	Apply required corrective action to payment error records.	Apply required corrective action to voucher edit error records.	Step 1: Review voucher to identify reason the voucher did not pass edits. Step 2: Complete required due diligence with voucher stakeholders to clear exceptions. Step 3: Fix voucher with appropriate corrective action. Step 4: Return the voucher via workflow to the edit process.
1.4.4	Calculate and assign payment due dates.	Payment due dates are calculated and updated on vouchers which successfully pass edits.	Step 1: System generated process will calculate and assign payment due dates to vouchers upon successful completion of the edit process.
1.4.5	Approve Voucher.	Voucher is approved through workflow.	Step 1: The voucher is routed through workflow and approved by appropriate user(s).
1.4.6	Apply final edit across agencies.	A final edit for offsets/garnishments across agencies is applied.	Step 1: System applies edits across agencies. Step 2: Pre-audit edits are performed. Step 3: Voucher is ready to post to the General Ledger.
1.4.7	Post voucher.	Post voucher and update General Ledger.	Step 1: Approved voucher is posted and updates the General Ledger. Step 2: Voucher is waiting due date for Warrant/Check processing.

6.5 Warrant/Check Processing

Exhibit 6.5



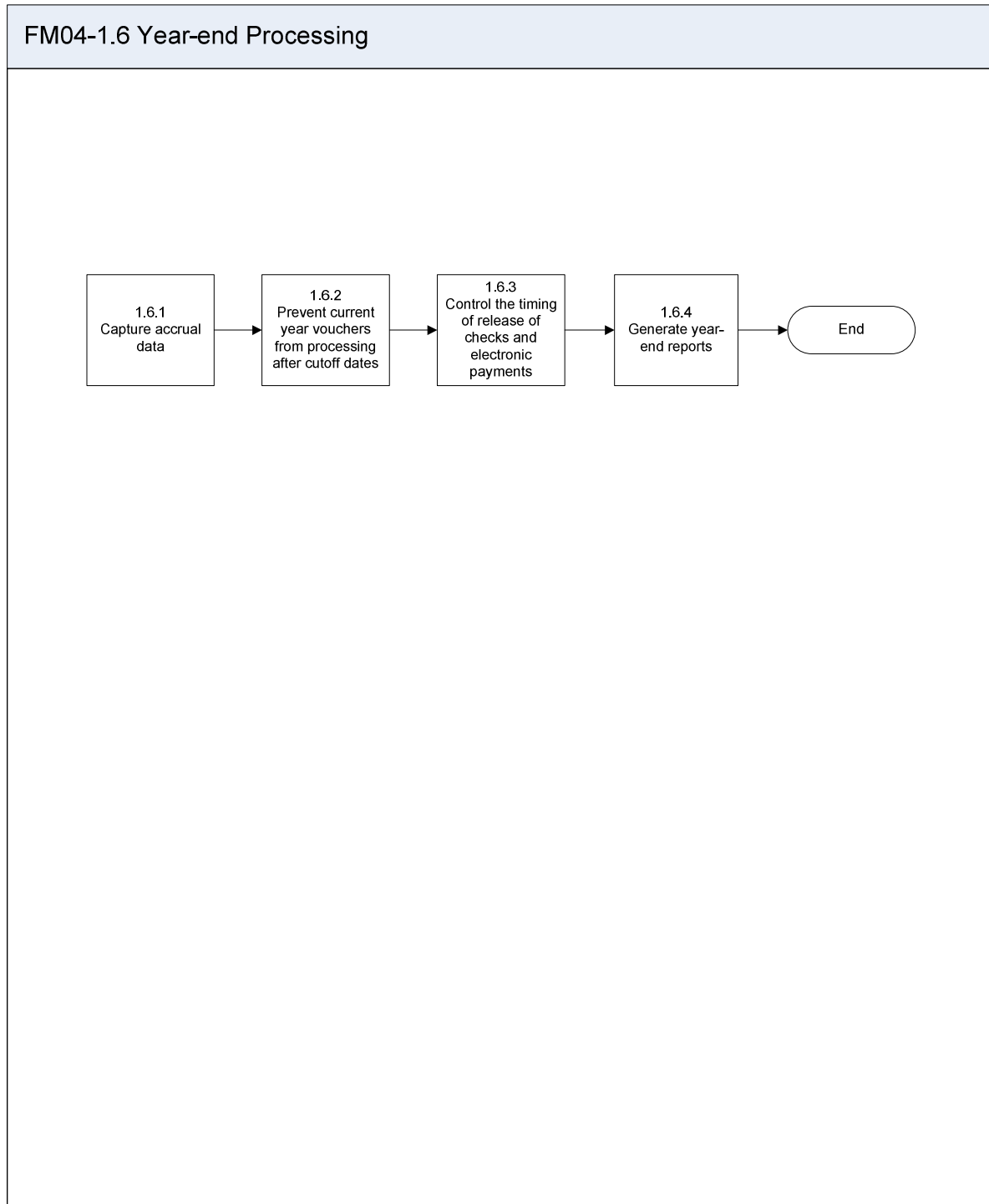
FM04-1.5 – Process Thread Description – Warrant/Check Processing	
Process Description:	Warrant/Check Processing is the printing and distribution of payments and remittance advices to vendors. Checks are printed by Treasury and EDI processing is completed by DOA.
Improvement Opportunities:	<ul style="list-style-type: none"> • Review check status online with proper security level. • Issue one disbursement to each vendor for multiple invoices from multiple agencies. • Reduce number of checks issued to single vendor. • Track payment information from date invoice received through date payment made. • Streamline warrant and check writing process through workflow. • Print unlimited lines of information on the remittance advice. • Provide ability to set minimum dollar amounts for checks (not EDI). • Decrease amount of time spent in manual reconciliation of data.
Legal/Policy Reform Impacts:	<p><u>Legal</u></p> <ul style="list-style-type: none"> • If payments are consolidated across agencies, there may be legal implications related to the display of offset data that may have been applied. <p><u>Policy</u></p> <ul style="list-style-type: none"> • One warrant/check across multiple agencies, and other major process changes will require new policies. • CAPP Manual will require updating.
Organization/People Impacts:	<ul style="list-style-type: none"> • Training will be needed for agency users and vendors on the procedures for processing and distributing EDI, checks and remittance advices.
Assumptions:	<ul style="list-style-type: none"> • DOA is responsible for generating warrants and EDI files. • The Department of Treasury will continue to print and distribute checks. • Check printing equipment at the Treasury will be able to print unlimited lines of remittance advice and imaged documents. • Cash and Investment Management activities, e.g. investment strategies, Treasury bank reconciliation, and unclaimed property funds are not in scope. • Electronic bank reconciliation for local bank petty cash transactions is in scope. • CDS amounts can be printed on remittance advice and reflected in EDI files. • Vendor has internet access for research/remittance data. • Vendor's remittance coupons can be imaged into the system, linked to the payment, and printed and mailed with the check. • The REDI Virginia website will remain for a specified period of time following implementation of the system and remittance data for trading partners existing at conversion will continue to be updated. • CDS processing occurs prior to V-payment processing.
Access Methods:	<ul style="list-style-type: none"> • Web Browser
System Interfaces:	<ul style="list-style-type: none"> • Payment & Recon Processing Systems (Dept. of Treasury warrant/check processing) • EDI VAN • REDI Virginia Website • Comptroller's Debt Setoff Program (Dept. of Taxation CDS processing) • Ancillary Agency Systems • Non-Phase 1 Agency Systems • Banking System • GE MasterCard • Prompt Payment Data Entry System

Process Details			
ID	Step	Description	Detailed Steps
1.5.1	Create payment file from transactions that have reached due date.	The Payment File is created for payments reflecting the identified due date(s).	Step 1: The system selects authorized payments based on the scheduled payment due date. .
1.5.2	Apply CDS offsets.	The payment file undergoes CDS processing at the Dept. of Taxation. Debts from various agencies that are recorded on the database at the Dept. of Taxation are matched to payments.	Step 1: The payment file is transmitted to the Dept. of Taxation. Step 2: System edits for CDS offsets and posts offset amounts in the file. Step 3: CDS payment file with offsets is returned to DOA. Step 4: DOA compares the original payment file to the CDS file from the Dept. of Taxation.
1.5.3	Process warrant/check and EDI payments.	Warrant/Check and EDI Processing includes all activities required for the preparation, processing and distribution (both electronic and hard copy) of payments and remittance data to vendors.	Step 1: Payment amounts, net of CDS offsets are calculated. Step 2: V-payment processing occurs. Step 3: Remaining payments are identified as either a check or an EDI payment. Step 4: Check Numbers and dates are assigned. Step 5: EDI banking information is applied when due date is reached. Step 6: EDI trace numbers and settlement dates are assigned.
1.5.3A	Transmit EDI and check information to the bank.	The EDI detail payment data and the approved checks and EDI totals are transmitted to the bank.	Step 1: EDI payment files, check files and reconciliation files are created and transmitted to the bank.
1.5.3B	Print checks at the Dept. of Treasury.	The Department of Treasury prints all paper checks and processes for mailing or holds for agency pick up.	Step 1: Physical checks are printed at the Dept. of Treasury and organized for mailing according to postal rules. Step 2: Checks are held for pickup by agency or mailed.
1.5.3C	Send EDI payment data to VAN and REDI Virginia.	Payment data is posted on the REDI Virginia website and transmitted to VAN for vendors.	Step 1: Files are transmitted to REDI Virginia website. Step 2: Files are transmitted to the VAN.
1.5.4	Update payment records.	Payment records are updated for CDS impact, V-payment card # (last 4 digits), check number and check date, EDI trace number and settlement date.	Step 1: All tables and payment records are updated.
1.5.5	Perform reconciliation	Banking information and accounts are reconciled.	Step 1: All payments are reconciled through the bank reconciliation process.

Process Details			
ID	Step	Description	Detailed Steps
	processes.		<p>Step 2: Bank reconciliation files are processed daily to maintain consistency between the bank records and the payment records.</p> <p>Step 3: DOA performs daily cash reconciliations such as cash and V-payment suspense account, and Treasury reconciles bank records.</p> <p>Step 4: Other bank reconciliations may be performed as required, i.e. Petty Cash bank accounts monthly.</p> <p>Step 5. EDI reconciliation is performed daily.</p> <p>Step 6. Reports are generated.</p>
1.5.6	Receive cleared check number and date from the bank.	Bank provides data for all check numbers clearing the bank.	<p>Step 1: Receive update of check status, including stop payment, escheatment and forgery.</p> <p>Step 2: Update payment records for cleared check number and date.</p>

6.6 Year-end Processing

Exhibit 6.6

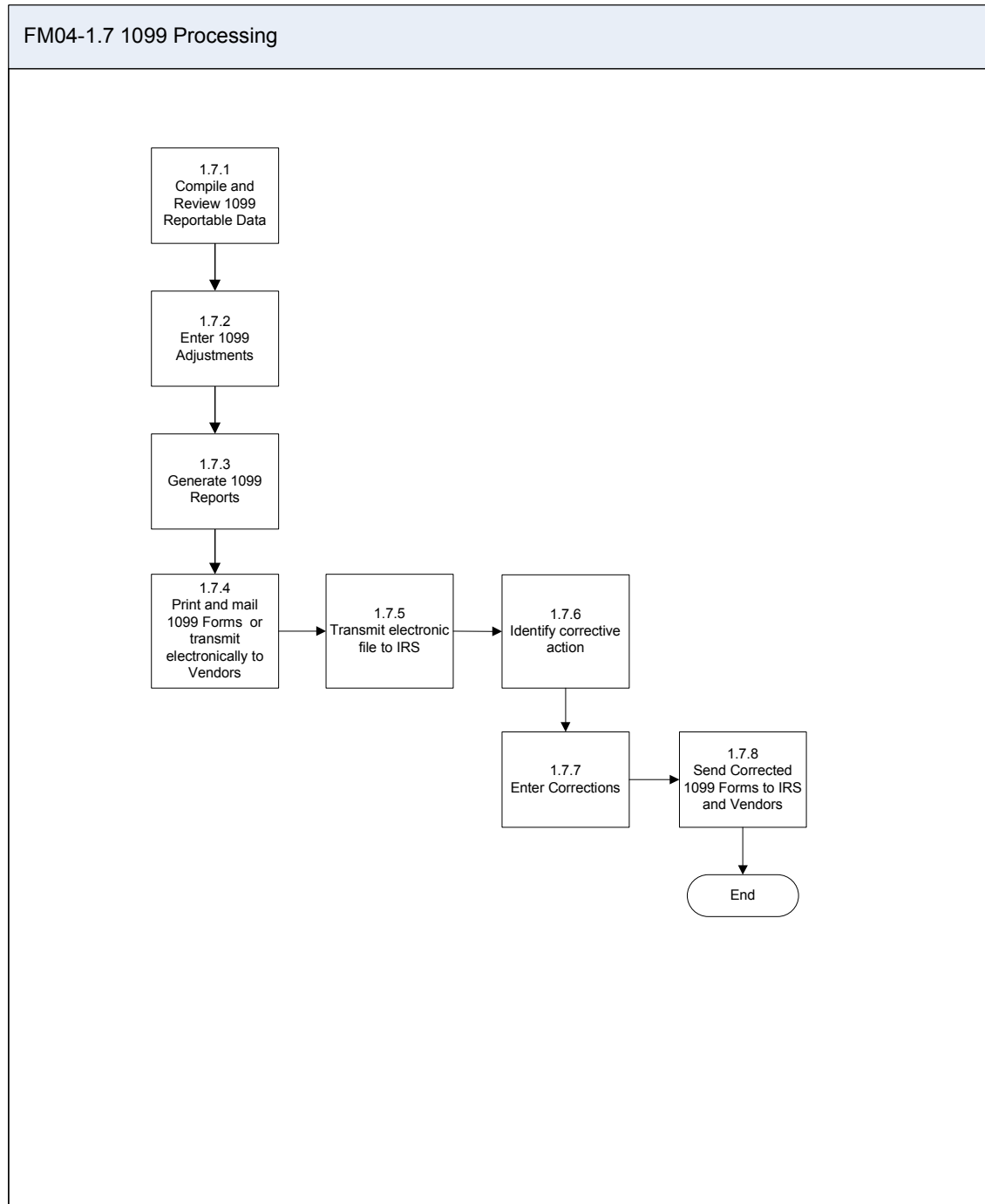


FM04-1.6 – Process Thread Description – Year-end Processing	
Process Description:	Year-end Processing
Improvement Opportunities:	<ul style="list-style-type: none"> System will automatically flag and prevent processing of payment requests that were not processed by the cutoff dates for fiscal year-end. System supports cash, modified accrual, accrual and encumbrance accounting. System provides ability to capture accruals.
Legal/Policy Reform Impacts:	<u>Legal</u> <ul style="list-style-type: none"> None identified. <u>Policy</u> <ul style="list-style-type: none"> None identified.
Organization/People Impacts:	<ul style="list-style-type: none"> New procedures should be provided for users.
Assumptions:	<ul style="list-style-type: none"> Checks for next fiscal year can be held. Due date can be overridden prior to payment being processed.
Access Methods:	<ul style="list-style-type: none"> Web Browser
System Interfaces:	<ul style="list-style-type: none"> None

Process Details			
ID	Step	Description	Detailed Steps
1.6.1	Capture accrual data.	Identify and capture accrued amounts at fiscal year-end.	Step 1: Identify and capture accrued amounts at fiscal year-end.
1.6.2	Prevent current year vouchers from processing after cutoff dates.	Capture the cutoff rules and prevent current year vouchers from processing after cutoff dates.	Step 1: Enter established AP cutoff dates in the system. Step 2: Apply cutoff dates, flag problem vouchers, and initiate workflow notifications.
1.6.3	Control the timing of release of checks and electronic payments.	Schedule the release of checks and electronic payments to ensure that next fiscal year payments are not made in the current fiscal year.	Step 1: Change the due date on vouchers, if necessary. Step 2: Department of Treasury prints and holds checks if requested by DOA staff.
1.6.4	Generate year-end reports.	Generate appropriate AP year-end reports (including accrual reports).	Step 1: Generate year-end reports.

6.7 1099 Processing

Exhibit 6.7



FM04-1.7 – Process Thread Description - 1099 Processing	
Process Description:	1099 Processing is the reporting of various types of payments to both the IRS and the vendor.
Improvement Opportunities:	<ul style="list-style-type: none"> Consolidate accurate 1099 reporting to include all vendor payments across agencies and ensure all reportable income is captured and reported. Reduce number of 1099 statements issued per vendor. Improve reporting of vendor payments. Provide opportunity for Shared Service Center. Transmit 1099s electronically to payees.
Legal/Policy Reform Impacts:	<p><u>Legal</u></p> <ul style="list-style-type: none"> None identified. <p><u>Policy</u></p> <ul style="list-style-type: none"> If 1099s are processed centrally, new BPR procedures must be established. Consolidated 1099 reporting under one FEIN for the Commonwealth would require change in policy and procedures. Vendors who use the agency's current number in their system to process refunds or other payments to agencies would be impacted. Currently, each agency has its own FEIN. Agency systems which utilize the FEIN would be affected. The CAPP Manual will require updating.
Organization/People Impacts:	<ul style="list-style-type: none"> Education for agencies and vendors on the 1099 procedures will be required. IRS coordination is required. Retaining staff may require new job descriptions.
Assumptions:	<ul style="list-style-type: none"> Vendors must be entered into the vendor database to receive a 1099 Return. Consolidating 1099 processing will be evaluated once the EIN subcommittee's work is complete. Shared Service Center will support 1099 Reporting. The Payee will receive a dollar breakdown by agency and phone numbers for the agency for dispute resolution. 1099-S reporting is completed by the agency rather than the closing attorney. PCard reportable payments will be captured in the system for 1099 reporting (Vendor and FEIN). The system can process form 1042S for foreign vendors.
Access Methods:	<ul style="list-style-type: none"> Web Browser
System Interfaces:	<ul style="list-style-type: none"> IRS Tax Reporting System

Process Details			
ID	Step	Description	Detailed Steps
1.7.1	Compile and review 1099 Reportable Data.	Review 1099 reportable data captured in the system.	Step 1: Review 1099 reportable data captured from vendor payments and PCard transactions.
1.7.2	Enter 1099 Adjustments.	Changes to the 1099 data is entered into the system.	Step 1: 1099 Adjustments are identified and entered.
1.7.3	Generate 1099 Reports.	Run 1099 reports after all adjustments are entered.	Step 1: Generate 1099 Report so 1099 payments can be audited prior to transmitting 1099 forms.
1.7.4	Print and mail 1099 Forms or transmit electronically to Vendors.	Send electronically or Print and mail 1099 Forms to payees.	Step 1: Print Form 1099. Step 2: Electronically transmit to payees where they have requested electronic form. Step 3: Mail printed Form 1099 to payees.

Process Details			
ID	Step	Description	Detailed Steps
1.7.5	Transmit electronic file to IRS.	Transmit file in standard IRS format with 1099 payment information.	Step 1: Transmit electronic 1099 payment data file to IRS.
1.7.6	Identify Corrective Action.	Corrections are required after the 1099 forms have been issued to vendors and the file transmitted to IRS.	Step 1: Review requested corrections. Step 2: Determine correct 1099 form to be used.
1.7.7	Enter Corrections.	Enter corrections into the system.	Step 1: Enter corrections into the vendor record. Step 2: Submit for processing.
1.7.8	Send Corrected 1099 Forms to IRS and Vendors.	Mail or electronically send corrected 1099 forms to the vendor and the IRS.	Step 1: Send corrected 1099 form to vendor. Step 2: Transmit electronic file to IRS with corrections.

7. Data Flow Details

This section details the flows of data both in and out of the business process. This will assist in identifying the impact to existing systems and processes, as it relates to each agency in the Commonwealth.

Exhibit 11 – FM04 Accounts Payable – Data Flow Diagram



Data Flow Details			
Entity	Flow	Data Name	Description
Ancillary Agency Systems	In	Payment Requests	Voucher data from other agency systems
Ancillary Agency Systems	Out	Payment Data	Payment data to other agency systems
Ancillary Agency Systems	Out	Prompt Payment Data	Data to Agency Dashboard
Pymt & Recon Processing Systems	Out	Warrant/Check Data	Warrant/Check Data to Dept. of Treasury Systems
Pymt & Recon Processing Systems	Out	EDI & Warrant Recon File	EDI/Warrant Data to Dept of Treasury Systems
Pymt & Recon Processing Systems	In	Updated Check Data	Updated Check Data from Treasury Systems
Non-Phase 1 Agency Systems	Out	Check & EDI data	Check & EDI payment data to agency systems outside the ERP
Non-Phase 1 Agency Systems	In	Payment Requests	Agency systems outside ERP sending voucher data
Comptroller's Debt Setoff Program	Out	CDS Offset Payment File	Payment File to Dept. of Taxation for CDS Processing
Comptroller's Debt Setoff Program	In	CDS Offset Payments	CDS Offset Payments
EDI VAN	In	Vendor Invoice Data	Electronic vendor invoice received from vendor thru VAN
EDI VAN	In	EDI Acknowledgements	997/824 File
EDI VAN	Out	Vendor Remittance Data	Remittance data to vendor thru VAN
REDI Virginia Website	Out	EDI Remittance Data	EDI remittance data to vendor
Banking System	In	EDI Data	EDI acknowledgements
Banking System	In	Paid Check Data	Paid check data & notification of change file
Banking System	Out	Check & EDI Data to pay	Checks and EDI payments authorized for processing by bank
IRS Tax Reporting System	Out	1099 Reporting	Electronic file to IRS
Imaging System	In	Imaged documents	Imaged documents linked to ERP
GE MasterCard	Out	Payment Transactions	Extract of payments meeting certain criteria (utilization analysis)
GE MasterCard	In	Payment Transactions	Extract of payments returned with identification of vendors who accept PCard
GE MasterCard	Out	V-payment Data	Potential conversion of vendor payment to a PCard transaction
GE MasterCard	In	V-payment Data	Payments converted to PCard transaction
Prompt Payment Data Entry System	Out	Prompt Payment Data	Database compiles statistics for statewide reporting, including non-phase 1 agencies

8. References

8.1 Information Sources

The documents that have been used as references to the Accounts Payables business process are as follows:

- Enterprise Business Architecture (EBA) Line of Business 438 Financial Management
- Virginia Enterprise Applications Architecture Initiative Section 3 Financial Management
- Due Diligence Deliverable Financial Management
 - Financial Management Multiple Choice Responses
 - Financial Management Selected Text Responses
 - Financial Management Tower Summary
- Other State's Requirements from Ohio, Tennessee, and Iowa
- Virginia Department of Transportation (VDOT) Financial Management System (FMS) Upgrade project requirements
- Commonwealth Accounting Policies and Procedures (CAPP)
 - 30000 – Fixed Asset and Lease Accounting
 - 70200 - CARS
 - 70300 – FAACS Online
 - 70600 – Lease Accounting System (LAS)
- DGS – Agency Procurement and Surplus Property Manual (APSPM)
- DMBE - <http://www.dmb.state.va.us/dbecert.html>
- SWAM - <http://www.dmb.state.va.us/swamcert.html>
- NIGP - <http://www.eva.state.va.us/NIGPCodes/NIGPCodes.htm>

8.2 Definitions, Acronyms and Abbreviations

The terms defined for the *Financial Management - Accounts Payables* Future State Environment document are as follows:

Term	Definition
ABA	American Banking Association
ACH	Automated Clearing House
AM	Asset Management
Ancillary Systems	All systems and/or agencies in and out of scope exclusive of the ERP system
APA	Auditor of Public Accounts
AP	Accounts Payable
AR	Accounts Receivable
BPR	Business Process Re-engineering
CAFR	Comprehensive Annual Financial Report
CAPP Manual	Commonwealth Accounting Policies and Procedures Manual
CARS	Commonwealth Accounting and Reporting System
CDS	Comptroller's Debt Set-Off for past due receivables

Term	Definition
CIPPS	Commonwealth Integrated Payroll/Personnel System
Contractor	Providing services to the Commonwealth (not an Employee)
COTS	Commercial off the Shelf
DGS	Department of General Services
DMBE	Department of Minority Business Enterprise
DOA	Department of Accounts
EBA	Enterprise Business Architecture
EBT	Electronic Benefits Transfer
EDI	Electronic Data Interchange
EIN	Employer Identification Number
ERP	Enterprise Resource Planning
EFT	Electronic Funds Transfer
ERS	Evaluated Receipts Settlement
eVA	Virginia's electronic business-to-business procurement tool
FAACS	Fixed Asset Accounting and Control System
FEIN	Federal Employer Identification Number
FINDS	Financial Information Downloading System - reporting tool used to access information in CARS
FIPS	Federal Information Processing Standards
Fit/Gap	The process of determining if a system can meet the requirements (fit) or if there are requirements the system cannot meet (gap).
FM	Financial Management
Full Reconciliation	Check reconciliations done by disbursement banks
FY	Fiscal Year
GPFS	General Purpose Financial Statements
Legacy Systems	An outdated system
Offsets	A deduction from a payment due to retainage, garnishment, tax liens, etc. (not including CDS)
Payment Request	An event initiated by a vendor, employee, governmental entity, or other payee to pay for goods and/or services rendered to the Commonwealth or for reimbursement, distribution of entitlements, benefits, loans, grants, subsidies or claims.
PCard	Purchase Card (current vendor is GE MasterCard)
PO	Purchase Order
POD	Proof of Delivery

Term	Definition
Positioning	Commonwealth current state environment
REDI	Remittance EDI
ROW	Right of Way
SOP	Standard Operating Procedure
SOW	Statement of Work is a list of the work products due under a contract or other agreement.
SOX	Sarbanes Oxley Act
SSN	Social Security Number
Stakeholder	As used in this document, refers to anyone who affects or can be affected by the AP business process within financial management for the Commonwealth.
Stove-piped	Non-integrated
Summary Reconciliation	Treasury does a summary check reconciliation using reports provided by the banks.
SWaM	Small, Women and Minority Owned Business
TD	Department of Treasury
TIN	Taxpayer Identification Number (EIN or SSN)
User	Individual who uses the system to complete work tasks without complete technical expertise; however, users have understanding and knowledge of the business process.
VAN	Value Added Network
VEAA	Virginia Enterprise Application Architecture
VEAP	Virginia Enterprise Applications Program
Vendor Edit Table	Table in CARS used by some agencies to maintain vendor data and by DOA to maintain vendor EDI information.
VEC	Virginia Employment Commission
Vendor	Any business, individual, agency or other payee receiving payment from the Commonwealth.
V-payment	Conversion of a direct payment (check or EDI) to a PCard transaction.
Workflow	Workflow is the movement of documents and/or tasks through a business process. Workflow is the organization, routing and notification of a defined event via a paper or electronic document trail within the Commonwealth and across agencies. A workflow event does not necessarily require approval or action.

The definitions of the shapes used in the diagrams in Section 2 of the *Financial Management – Accounts Payable* Future State Environment document are as follows:





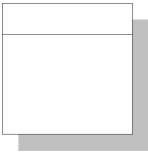
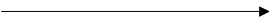





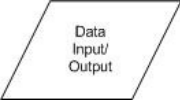
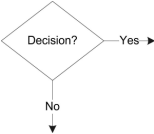


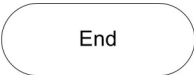

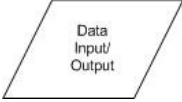

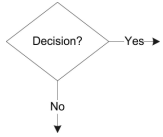




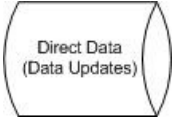
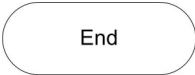
Diagram Shape	Definition
	Server symbol represents a server or feeder system transmitting data to or receiving from the main system.
	Main System represents mainframes or the future ERP solution.
	User/Manual interaction symbol.
	Paper document symbol.
	Application symbol.
	Required function symbol.
	Optional function symbol.
	The group box symbol is used around multiple symbols to simplify and/or emphasize functions specific to a group, i.e. in-scope/out-of-scope agencies.
	Connector symbol is used to avoid crossing of lines and maintain flow going from left to right.

Diagram Shape	Definition
	Agency symbol is used to represent internal/external agencies or organizations involved in the process. It is unknown at this time if a system exists.



The definitions of the shapes used in the diagrams in Section 5 of the *Financial Management – Accounts Payable* Future State Environment document are as follows:

Diagram Shape	Definition
	Pre-defined Process symbol is used to represent the defined process threads.
	Data input/output symbol represents incoming or outgoing data.
	Decision symbol is used when the process requires a decision to proceed.
	Directional Arrow symbol is used to reflect flow from one symbol to the next.
	Connector symbol is used to avoid crossing of lines and maintain flow going from left to right.
	End symbol is used to end the process.

The definitions of the shapes used in the diagrams in Section 6 of the *Financial Management – Accounts Payable* Future State Environment document are as follows:

Diagram Shape	Definition
	Pre-defined Process symbol is used to represent the defined process threads.
	Data input/output symbol represents incoming or outgoing data.
	Process symbol is used to represent the process thread steps.
	Decision symbol is used when the process requires a decision to proceed.
	Directional Arrow symbol is used to reflect flow from one symbol to the next.
	Connector symbol is used to avoid crossing of lines and maintain flow going from left to right.
	Paper document symbol.
	Manual Operation symbol.
	Direct Data updates symbol.
	End symbol is used to end the process.

The definitions of the shapes used in the diagrams in Section 7 of the *Financial Management – Accounts Payable* Future State Environment document are as follows:

Diagram Shape	Definition
	Entity symbol outside of the ERP represents external system interfaces. Entity symbol inside of the ERP represents interaction between internal modules.
	Directional Arrow symbol is used to reflect flow from one symbol to the next.

Appendix A – Product Requirements – Reference RFP Section 5